

The E-rate Program Overview for Tribal Schools and Tribal Libraries

November 9, 2021



Universal Service
Administrative Co.

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Please indicate if you are a Tribal leader as we will answer Tribal leader questions first.

Meet Our Team



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Agenda

- Universal Service Administrative Company Overview
- Program Overview
 - Q&A
- Application Process - Competitive Bidding
 - Q&A
- Get Started: Requesting an entity profile for new E-rate applicants
- Service Start Date
- Service Delivery Date
- Invoice Delivery Deadline

Universal Service Administrative Company

Overview

Who We Are: The Universal Service Administrative Company

The Universal Service Administrative Company (USAC) is an independent, not-for-profit organization designated by the Federal Communications Commission (FCC) as the permanent administrator of the USF and its four programs.

- **The Universal Service Fund (USF):** Exists to ensure that all people in the United States have access to quality, affordable connectivity service.



Lifeline Program

Discounted phone and internet service to eligible low-income consumers.



E-rate Program

Funding for broadband services to eligible schools and libraries.



Rural Health Care Program

Funding for telecom and broadband services for eligible rural health care providers.



High Cost Program

Reduced rates for telecom and broadband services in eligible high-cost areas.

Who We Are: The Universal Service Administrative Company

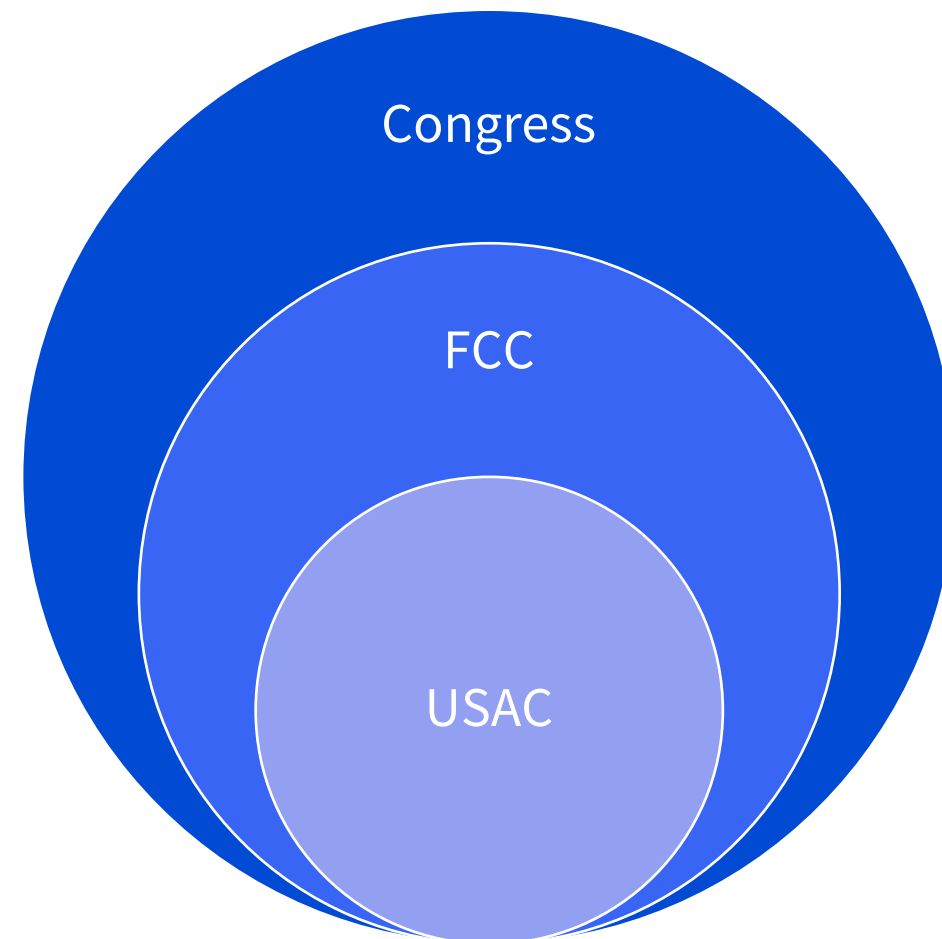
In response to the COVID-19 pandemic, Congress created multiple temporary programs to help people stay connected during this disruptive period. The FCC designated USAC to administer these programs.

- **COVID-19 Broadband Programs**



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.



What is the Applicant Process?

Competitive Bidding

July 2021
to
Feb. 2022

Starts at least 28 days prior to selecting a vendor and filing an FCC Form 471

470



Apply for Discounts

Mid-Jan. 2022
to
Mid-Mar. 2022

471



Start Services

July 1, 2022
to
June 30, 2023

486



Invoice USAC

Recurring Services
July 2022 – Oct. 2023

Non-recurring Services
July 2022 – Jan. 2024

**472
(BEAR)**

OR

**474
(SPI)**

* Date ranges reflect a typical timeline, but are subject to change.

FCC Form 470: 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.



470

FCC Form 471: Description of Services Ordered 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).



471

FCC Form 486: Receipt of Service Confirmation and Children's Internet Protection Act Certification Form

- 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

FCC Form 472: 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 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.



472

FCC Form 474: Service Provider Invoice USAC (SPI Form)

- Pay your non-discounted customer 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).
- Your service provider will only 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.



474

Key Program Dates

FCC Form 486: Service Start Date

- What is my Service Start Date (SSD)?
 - The first day of the funding year if services start on or before July 1.
 - Any day after July 1 but before June 30 of the funding year that services were actually started. For example:
 - For installations that started on May 25 before the funding year, the SSD is July 1 of the funding year.
 - For services starting August 7 of the funding year, the SSD is August 7 of the funding year.
- The FCC Form 486 **MUST** be certified no later than 120 days after the Service Start Date reported on the FCC Form 486 or 120 days after the date of the Funding Commitment Decision Letter (FCDL), whichever is later.

Service Delivery Deadline (SDD)

- Non-recurring services must be delivered and installed between July 1 of the funding year and September 30 following the June 30 close of that funding year
 - i.e., 15 months after the beginning of the funding year.
- Certain recipients may receive extensions of the deadline for delivery and installation of these non-recurring services, which can occur for various reasons, including but not limited to:
 - An FCDL is issued by USAC on or after March 1 of the funding year
 - The applicant requested an extension because the service provider was unable to complete delivery and installation for reasons beyond the service provider's control.

ELIGIBILITY - Services

- Each year, the FCC issues a list of equipment and services that are eligible for the upcoming funding year.
 - **Review the Funding Year 2022 [Eligible Services List](#) when it is released later this year.**
- **Category One** includes services from the service provider to the schools and/or libraries (demarcation point).
 - Data Transmission and/or Internet Access
 - Examples of Category One (C1) services:
 - Leased lit or dark fiber
 - Wireless services (e.g. microwave)
 - Satellite service
 - T-1, T-3, etc.
 - DSL

Competitive Bidding Requirements: Imposing Restrictions

- You cannot list specific make and model of products or services sought without also allowing equivalent products and/or services to be bid.
 - “XYZ manufacturer's router model 345J or equivalent”
- EPC will automatically add the “or equivalent” language for you in the FCC Form 470, but remember to double check the language in your RFP, if you are issuing one, to include the words “or equivalent.”
- Bidder disqualification criteria must be spelled out in FCC Form 470 and/or RFP and be available to all potential bidders.

Competitive Bidding Requirements: Lowest Corresponding Price

- Service providers are required to offer applicants their services at the lowest corresponding prices charged to other similarly situated customers throughout their geographic service area.
- This rule ensures that you are not charged more than similarly situated non-residential customers for the same services because of E-rate program participation.
- Exceptions can be made if the provider can show that they face significantly higher costs to serve this customer due to volume, mileage from facility, and/or length of contract.
- Applies to all service providers and for all service arrangements (tariff, month-to-month and contracted services).

Requesting Services: FCC Form 470 Receipt Notification Letter

- After posting FCC Form 470, USAC issues a **Receipt Notification Letter (RNL)** in your EPC News feed.
- Review your submitted FCC Form 470 carefully. If you need to make corrections:
 - For non-substantive changes, locate the form in EPC and choose “Related Actions” to submit allowable corrections.
 - For a material change to your requests, you must file a new FCC Form 470.

Evaluating Bids

Evaluating Bids

- To evaluate incoming bids, create a bid evaluation matrix or similar document.
- Develop evaluation criteria or factors to assess the bids.
 - You can have one or multiple factors.
- Assign each evaluation factor a point value or percentage.
 - The price of the **eligible products and services** must be the most heavily weighted factor.
 - Other factors, including other non-price factors, can be considered as well; but they cannot be weighted equally or higher than cost of the eligible goods and services.
- The vendor with the most overall points is the winner.

Sample: Bid Evaluation Matrix

- Evaluate your bids using a matrix, filled in with your chosen factors and point values.

Factor	Points Available	Vendor 1	Vendor 2	Vendor 3
Price of eligible products and services	50	15	50	35
Prior experience w/ vendor	20	20	0	20
Service provider bonded	20	7	13	20
Local or in-state vendor	10	10	8	7
Total	100	52	71	82

Result: Vendor #3 wins. Note that this may not be the lowest cost vendor.

Evaluating Bids: Zero or One Bid Received

- If you receive only one bid, and it is cost-effective, you may accept it.
 - Document your decision with a memo or email to your file.
- If you did not receive any bids, you can solicit bids after the 28-day waiting period.
 - Reach out to vendors in the area.
 - Ask your current service provider to submit a bid or confirm they are willing to continue your current services at the same cost.

Duplicative Services (Unfunded)

- Duplicative services are services that provide the same functionality for the same population in the same location during the same period of time.
- Backup or redundant services - services sought to reduce reliance on any single service provider's network during an outage - are considered duplicative.
- Services that provide necessary bandwidth requirements, such as multiple T-1 lines when appropriate for the population served and the services to be received, may not be considered duplicative. However, the applicant must still evaluate and choose the most cost-effective option from the bids received.
- USAC cannot fund duplicative services.

Fair and Open Competition: Gift Rules

- Receipt or solicitation of gifts by applicants from service providers (and vice versa) and potential service providers is a competitive bidding violation.
- Service providers may not offer or provide any gifts or thing of value to applicant personnel involved in the E-rate program.
- Gift prohibitions are always applicable, not just during the competitive bidding process.
- Exceptions for gifts must be limited to items worth \$20 or less, including meals or prizes, and cannot to exceed \$50 from one service provider to each individual per funding year.
- Watch our [Gift Rules video](#) for more details on the gift rules.
- In light of the ongoing COVID-19 pandemic, the FCC found good cause to extend its waiver of the E-rate program gift rule through June 30, 2022, the end of FY 2021. (see DA 21-1257).

Contracts

- Applicants must have a signed contract or ***other legally binding agreement*** in place prior to submitting their FCC Forms 471 to USAC.
- Applicant must not sign a contract before the Allowable Contract Date (ACD).
- Signed contracts constitute the best evidence that a legally binding agreement exists.
- A verbal offer and/or acceptance will not be considered evidence of the existence of a legally binding agreement.
- Learn more on the [State Master Contracts](#) webpage.

Document Retention

Document Retention

- You must keep all [documentation](#) for at least 10 years from the last date to receive service.
 - For multi-year contracts this means 10 years from the contract expiration date.
- Retain receipt and delivery records relating to pre-bidding, bidding, contracts, application process, invoices, provision of services, and other matters relating to your applications.
- For example, for recurring internet access service for FY2022, both the applicant and the service provider must retain all records until at least June 30, 2033.

Get Started: User Profiles and Billed Entity Numbers

Creating a Billed Entity Number in EPC

- Entity numbers can be assigned by calling the Client Service Bureau (CSB) at (888) 203-8100.
- Please go to the [Entity Numbers](#) page on our site to see a list of all the required information you will need to create an entity.
- The account administrator for your organization can [modify entity information](#) in EPC. To close an entity, contact the CSB.

Creating a New User Profile

- The account administrator signs in to the portal.
- From the My Landing Page, choose “Manage Users” from the upper right-hand corner.
- Check the box to the left of the organization name and click “Create a New User.”
- Enter the new user’s information. Each required field is marked with a red asterisk (*).
- Select the appropriate permissions that the new user should have. The choices are:
 - Full rights (create, edit, and certify forms)
 - Partial rights (create and edit forms)
 - View only rights (view forms)
- Review the information you provided. Click “Previous” to make any necessary changes.
- When you are finished, click “Submit.”
- The new user will receive an email from USAC to log in for the first time.

Modifying a User Profile

- From the My Landing Page, choose “Manage Users” from the upper right-hand corner.
- Check the box to the left of the organization name and click “Manager User Permissions” to modify the user rights for a current user, or click “Add and Remove Existing Users” to add or remove a user from your organization.
 - From this screen you can add a user who already exists in EPC but is not currently associated with your Billed Entity.

Service Start Dates

FCC Form 486

When applicants start funded services, they must file the FCC Form 486. The FCC Form 486 is used to:

- Notify USAC that **services have started** for the Funding Request Numbers (FRNs) listed on their FCC Form 471.
- Report the status of compliance with the **Children's Internet Protection Act (CIPA)** for the entities listed on the FRNs.

FCC Form 486: Service Start Date

what is my Service Start Date (SSD)?

- The first day of the funding year, when services start on or before **July 1**.
- Any day after July 1, but before June 30 of the funding year, on which services were actually started.

For example:

- Equipment installations that started on May 25 before the funding year, the SSD is July 1 of the funding year.
- For services starting on August 7 of the funding year, the SSD is August 7 of the funding year.

When Do I File the FCC Form 486?

- The FCC Form 486 **MUST** be certified no later than 120 days after the **Service Start Date (SSD)** reported on the FCC Form 486 or 120 days after the date of the **Funding Commitment Decision Letter (FCDL)**, whichever is later.

Service Delivery Date

Equipment Service Delivery Date (SDD)

- To be eligible for program support, eligible services must be received during a specific period of time related to the particular funding year for which discounts are requested.
- In general, non-recurring services must be delivered and installed between July 1 of the relevant funding year and September 30 following the June 30 close of that funding year.
- For example, for Funding Year 2020, the program year began on July 1, 2020, ended on June 30, 2021, and all equipment was required to be installed by September 30, 2021, unless an extension was granted.

July 2020						
Su	Mo	Tu	We	Th	Fr	Sa
			✘	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	




September 2021						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	✘		

Service Delivery Deadlines

- The Service Delivery Date (SDD) for each Funding Request Number (FRN) is provided in a table.
- The table is located on the Funding Commitment Decision Letter (FCDL) and/or the Revised Funding Commitment Decision Letter (RFCDL) on the last page under “Dates.”

Location of Service Delivery Deadline on FCDL/RFCDL

		BEN Name: BEN:	FCC Form Wave:
FRN	Service Type Data Transmission and/or Internet Access	Status Funded	
Dollars Committed			
Monthly Cost		One-time Cost	
Months of Service			
Total Eligible Recurring Charges		Total Eligible One Time Charges	
Total Pre-discount Charges			
Discount Rate			
Committed Amount			
Dates		Service Provider and Contract Information	
Service Start Date		Service Provider	
Contract Expiration Date		SPIN (498ID)	
Contract Award Date		Contract Number	
Service Delivery Deadline	9/30/2021	Account Number	
Expiration Date (All Extensions)		Establishing FCC Form 470	
Consultant Information			
Consultant Name			
Consultant's Employer			
CRN			
Funding Commitment Decision Comments			



Invoice Delivery Deadlines

Invoice Delivery Deadlines

The invoice filing deadline is 120 days after the last date to receive service; 120 days after the date of the FCC Form 486 Notification Letter; or 120 days after a RFCDL approving a post-commitment change or a successful appeal of a previously denied or reduced funding request, whichever is later.

- For example: The invoice filing deadline for Funding Year (FY) 2020 recurring services is Monday, October 28, 2021.
- If the deadline falls on a weekend or federal holiday, the deadline is extended to 11:59 p.m. ET on the following **business** day.



When to File an Invoice

File after equipment and/or services are delivered and paid.

- For the BEAR, applicants pay service provider in full.

For the SPI, service providers bill applicant for their non-discount share first.

- You can choose the frequency.
- **Important! File invoice on or before the invoice filing deadline**
 - Generally, October 28 for recurring services.
 - Generally, January 28 for non-recurring services.



Questions?



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