



# Two-in-Five Rule for Internal Connections

Training for Success  
September – October 2006  
Schools and Libraries Division

Washington, DC • Boston • Seattle • St. Louis • Atlanta • Houston • San Diego

## What is 2-in-5?

- Each entity (school, library or non-instructional facility) can receive Internal Connections only 2 out of every 5 years
- Started in FY 2005
- FY 2007 is the first year where entities will be ineligible for Internal Connections funding based on this rule.
- Waivers available for directly affected Hurricane Katrina entities

# Why?

- FCC rule created to ensure that the same entities did not receive Internal Connections funding year after year
- Provides opportunity for other schools and libraries to receive limited Internal Connections funding

# More specifics, please

- Entities can use any two years in a five year span, counting backwards and forwards
- This applies at the individual entity level (individual school, library, or non-instructional facility)
- If you receive **ANY** internal connections commitments in a given fund year, you are using that year.

# When do I use a year?

- Individual entities use a year when:
  - An FRN that includes that entity on the Block 4 worksheet is committed funds for Internal Connections.
  - Rule applies regardless of the Billed Entity on the application

*Tip: Carefully review the entities in Block 4 – only include those that will actually get service*

# What's *not* included?

- Basic Maintenance of Internal Connections request are not subject to this rule.
  - Each entity can receive maintenance every year
- Priority 1 services are not subject to this rule

## 2-in-5 ...

- Does not limit the amount of Internal Connections funds that an entity can receive in a fund year (assuming necessary resources are in place)
- Does not count years used based on whether or not you have invoiced USAC
- Applies regardless of the type of IC services
  - For example, you don't have two years to get routers and two different years to get PBXs

# Counting your years

- Entities can receive Internal Connections funding only 2 out of every 5 years
- Example 1:
  - 2005: Funded for any IC
  - 2006: Funded for any IC
  - 2007: **Not** Eligible
  - 2008: **Not** Eligible
  - 2009: **Not** Eligible
  - 2010: **Eligible**



# Counting your years

- Example 2:
  - 2005: Funded for any IC
  - 2006: Internal Connections denied
  - 2007: Eligible
  - 2008: Eligible
  - 2009: Eligible
  - 2010: Eligible

# Counting your years

- Example 3:
  - 2005: Funded for any IC
  - 2006: Internal Connections denied
  - 2007: Funded for any IC
  - 2008: **Not** Eligible
  - 2009: **Not** Eligible
  - 2010: **Eligible**

# Counting your years

- Example 4:
  - 2005: Funded for any IC
  - 2006: Internal Connections pending
  - 2007: **Might** be Eligible
  - 2008: **Might** be Eligible
  - 2009: **Might** be Eligible
  - 2010: **Might** be Eligible

# How do I undo this?

- Applicants can cancel FRNs (and return expended funds) to get back their year
- Applicants can unbundle FRNs to release some of the entities included in the Block 4 funding requests
  - Discount rate will be recalculated
  - Funding request will be reduced
  - Any funds paid out by USAC must be returned

# Online Filing Assistance

- When you file online for Internal Connections requests in 2007, USAC will check the status for each entity in the cited Block 4 worksheet
- Error messages will be displayed if the entity:
  - May not be eligible for funding
  - Is not eligible for funding

# Online Advisories

- One or more entities may not be eligible for IC:

**The funding for this item may be in violation of the FCC's 2-in-5 Rule:**

At least one entity listed in this worksheet has a pending funding request for Internal Connections. If the pending request is funded, this entity would not be eligible for discounts on Internal Connections in this funding year.

[More Info](#)

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# Online Advisory

- One or more entities is ineligible for IC:

**The funding for this item will be in violation of the FCC's 2-in-5 Rule:**

At least one entity listed in this worksheet has already received commitments for Internal Connections in two of the last five funding years. This entity is not eligible for discounts on Internal Connections in this funding year.

More Info

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# Online Tool

- USAC has created a new tool to help you determine the 2-in-5 status for entities
- Look up information by
  - Entity number(s)
  - FRN(s)
  - Form(s) 471
  - SPIN(s)
- Let's take a look!



# Enter search information

## 2-in-5 Tool

Please select one of the following search options to retrieve eligibility status:

- Funding Year / Entity Number(s)
- Funding Year / SPIN(s)
- Form 471 Application Number(s)
- FRN(s)

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**Form 471  
Application #(s)**

Enter 1 or more numbers here, each separated by a comma

Search

# FRN Detail

## 2-in-5 Tool Eligibility Detail

<b>Application #</b>	1	<b>FRN</b>	19873
<b>Entity #</b>	203404	<b>Entity Name</b>	Western Telephone, Inc.
<b>BEN</b>	33333	<b>BEN Name</b>	BEN Consortium
<b>SPIN</b>	143033333	<b>SPIN Name</b>	The Service Providers
<b>Pre-Discount \$ Requested</b>	\$30,000	<b>Post-Discount \$ Committed</b>	\$12,000
<b>FRN Status</b>	Pending	<b>Funding Status</b>	Pending



# Questions?