



# E-rate Program

---

## **State of E-Rate**

May 3, 2011 – Los Angeles | May 12, 2011 - Atlanta

## Topics

- FY2011 Demand Estimate
- FY2010 Priority 2 at 80%
- Audits
- HATS

## FY2011 Demand Estimate



# Estimate of Demand (Post Discount) 2011

FRN 10% Stratification Report

Report Data as of COB:

Sunday, April 10, 2011

	<u>Telecom Services</u>	<u>Internet Access</u>	<u>Priority 1</u>	<u>Internal Connections</u>	<u>Basic Maintenance</u>	<u>Priority 2</u>	<u>Total</u>	<u>Percent</u>
20:29	\$1,849,976.13	\$765,184.21	<b>\$2,615,160.34</b>	\$72,574.16	\$47,781.59	<b>\$120,355.75</b>	<b>\$2,735,516.09</b>	0.1%
30:39	\$3,549,491.52	\$916,646.72	<b>\$4,466,138.24</b>	\$0.00	\$0.00	<b>\$0.00</b>	<b>\$4,466,138.24</b>	0.1%
40:49	\$86,837,972.47	\$28,746,269.86	<b>\$115,584,242.33</b>	\$1,004,187.81	\$1,609,119.57	<b>\$2,613,307.38</b>	<b>\$118,197,549.71</b>	2.7%
50:59	\$117,371,316.60	\$35,057,496.15	<b>\$152,428,812.75</b>	\$2,708,654.93	\$979,215.97	<b>\$3,687,870.90</b>	<b>\$156,116,683.65</b>	3.6%
60:69	\$222,830,711.53	\$62,275,366.56	<b>\$285,106,078.09</b>	\$6,790,864.34	\$1,537,931.24	<b>\$8,328,795.58</b>	<b>\$293,434,873.67</b>	6.8%
70:79	\$377,923,849.28	\$130,116,590.13	<b>\$508,040,439.41</b>	\$24,004,966.37	\$2,875,845.45	<b>\$26,880,811.82</b>	<b>\$534,921,251.23</b>	12.4%
80:89	\$568,274,533.21	\$180,201,167.49	<b>\$748,475,700.70</b>	\$989,778,847.49	\$97,643,833.43	<b>\$1,087,422,680.92</b>	<b>\$1,835,898,381.62</b>	42.6%
90:90	\$249,591,791.55	\$106,576,071.45	<b>\$356,167,863.00</b>	\$837,907,592.35	\$170,096,677.62	<b>\$1,008,004,269.97</b>	<b>\$1,364,172,132.97</b>	31.7%
<b>TOTAL</b>	<b>\$1,628,229,642.29</b>	<b>\$544,654,792.57</b>	<b>\$2,172,884,434.86</b>	<b>\$1,862,267,687.45</b>	<b>\$274,790,404.87</b>	<b>\$2,137,058,092.32</b>	<b>\$4,309,942,527.18</b>	<b>100.0%</b>
	<b>37.8%</b>	<b>12.6%</b>	<b>50.4%</b>	<b>43.2%</b>	<b>6.4%</b>	<b>49.6%</b>	<b>100.0%</b>	

**Notes:**

These figures represent the total universe of requests received inside the filing window. The estimate includes those requests for which the certifications were received and postmarked by the deadline as well as those applications completed online by the deadline that are awaiting Certification. The totals above may reflect some duplicate applications. These requests are as submitted by the applicants and not yet reviewed for compliance with program rules.

Fund Year: **2011**  
 Apps Received: **44,139**  
 FRNS: **134,548**  
 Total Post Discount: **\$4,309,942,527.18**  
 Deadline (Window Close): **3/24/2011 11:59:59 PM**

## **FY2010 Priority 2 at 80%**

- January: USAC recommended to deny at 80%
- February: FCC received a petition to fund at 80%
- February: FCC issued a public notice seeking comment on the petition
- March: FCC received comments in response to the petition
- \$280 million needed to fund P2 at 80%

## Payment Quality Assurance (PQA)

- Not an audit
- Easier
- Faster
- Less work
- Less expensive

## Beneficiary/Contributor Compliance Audit Program (BCAP)

- An audit
- Necessary to ensure compliance w/ FCC rules & orders
- Less complex than previous audits
- Ongoing, starting 3<sup>rd</sup> Qtr 2011
  - No end, no rounds
- If applicant selected for audit, service provider will be notified

## Beneficiary/Contributor Compliance Audit Program (BCAP)

- Steps for Service Providers to Minimize Audit Findings and Assist Applicants
  - Provide sufficient detail on bills
    - Include Funding Request Number (FRN), specific details of the items purchased (i.e., serial numbers, quantity, product descriptions, product delivery information)
    - Indicate total amount due less amounts paid by or to be paid by USAC ("Pre-Discount Amount")

## Beneficiary/Contributor Compliance Audit Program (BCAP)

- Provide sufficient detail on bills (cont)
  - Indicate payment terms of the net amount of the bill
  - Separate eligible items from ineligible items
  - Generate separate bills for eligible and ineligible items to reduce risk of including an ineligible item on BEAR/SPI
- Complete BEAR/SPI using one line per customer bill



## HATS (Helping Applicants To Succeed)

- In 2012 USAC will have 1,000 HATS contacts
- Answer complex questions
- Provide deadline reminders
- Help new applicants, including new contact people
- Etc.