

E-rate Program

Introduction to E-rate

May 7, 2013 – Atlanta

May 9, 2013 - Los Angeles

- **Common questions about E-rate**
- **Request / Update SPIN – FCC Form 498**
- **Review Eligible Services List**
- Applicants write technology plans
- Applicants file FCC Form 470 to open competitive bidding process / **Service providers submit bids**
- Applicants file FCC Form 471
- **File annual certification – FCC Form 473**
- Application review / **Funding commitments**
- **Services start – applicants file FCC Form 486**
- **Invoice USAC – FCC Form 472 or FCC Form 474**

- **What is a funding year?**
 - A funding year (FY) runs from July 1 to the following June 30.
 - FY2013 runs from July 1, 2013 to June 30, 2014.
 - Recurring services (e.g., monthly telephone services and Internet) must be delivered by June 30.
 - Non-recurring services (e.g., equipment and installations) must be delivered and installed by the September 30 following the funding year, and this deadline can be extended.

- Who can apply?
 - Eligible schools and school districts
 - Eligible libraries and library consortia
 - Consortia of eligible entities (e.g., regional consortia, statewide networks)

- How much money is available?
 - \$2.25 billion funding cap for each funding year, indexed to inflation starting with FY2010
 - Over \$2.38 billion available for FY2013 after indexing
 - FCC can roll over unused funds from prior funding years

- What services are eligible?
 - Priority 1 – funded first
 - Telecommunications services
 - Telecommunications
 - Internet Access
 - Priority 2 – funding starts with neediest applicants (90% discount level first, then 89%, etc.)
 - Internal Connections
 - Basic Maintenance of Internal Connections

- How large are the discounts?
 - Discounts range from 20 – 90% of the cost of eligible services
 - Discounts are based on:
 - Percentage of students eligible for the National School Lunch Program
 - Urban or rural status of entity

Common Questions

- How long should records be retained?
 - Keep all records pertaining to the application process for at least five years after the last date to receive service.
 - Some examples of documents to retain:
 - Contracts
 - Copies of filed FCC forms, letters and other communications from USAC
 - Customer bills/bill information
 - Filed requests (e.g., appeals, service substitutions, global SPIN changes)

- [FCC Form 498](#) – Service Provider Identification Number and General Contact Information Form
 - Original must be filed on paper.
 - Revisions can be done online.
 - Can be submitted by company officer or general contact
 - Must be certified by company officer
 - Helpline: 1-888-641-8722

- Why is FCC Form 498 important to you?
 - Establishes user IDs and passwords for online updates, submissions, access, etc.
 - Company officer and general contact can set up additional users and their level of access
 - Populates [SPIN Contact Search](#) database that applicants use to contact you and find your SPIN.
 - Provides electronic remittance information USAC uses to pay invoices.

Request/Update SPIN

Existing users may log in below

E-File Sign In

User ID:

Password:

[Forgot password](#)

New users, please select from the options below:

- [New Service Provider](#)
- [New Contributor](#)

- Eligible Services List (ESL) process
 - USAC sends draft ESL to FCC each year.
 - FCC issues a Public Notice with draft ESL.
 - Comment period
 - Reply comment period
 - FCC reviews comments and reply comments.
 - FCC issues final list for upcoming funding year (no changes made in ESL during the funding year).

- Why is the ESL process important to you?
 - Descriptions of eligible services are set for the funding year once the final ESL is issued.
 - You have an opportunity to provide input in advance of the final ESL.
 - Suggesting replacement or additional language that is considered and/or adopted may help both you and your customers with eligible service determinations.

- Why is applicant technology planning important to you?
 - Priority 2 services must be covered by approved technology plans written by applicants.
 - Funding may be denied or forms rejected if the applicant does not meet the technology plan requirements.
 - Denials or rejections may occur:
 - During the review of an application or an invoice
 - As a result of an audit

- If applicants ask you for assistance in writing a technology plan:
 - Refer them to existing sources of information
 - USAC website
 - State department of education or state library
 - Public websites
 - Other applicants
 - Either offer no advice or NEUTRAL technical advice.

- Applicants post FCC Form 470 and may issue an RFP to open a competitive bidding process.
 - Process must be open and fair.
 - Applicant must wait at least 28 days after the later of the FCC Form 470 or RFP posting before selecting a service provider, signing a contract (if applicable), and filing the [FCC Form 471](#).
 - Applicant must choose the most cost-effective solution with the price of the eligible products and services as the primary factor in the evaluation.

- Service providers can:
 - Review posted FCC Forms 470 and/or download summary information
 - Respond to FCC Forms 470/RFPs
 - Review and follow applicant requirements and local and state procurement rules, including reasons for possible bid disqualification.

- Service providers **MUST NOT**:
 - Prepare, sign, post or file an FCC Form 470
 - Design the evaluation process
 - Participate in the review/evaluation of bids
 - Provide free services, kickbacks, gifts, or other inducements to ensure bid selection
 - Bundle eligible and ineligible costs to hide the ineligible costs.

Competitive Bidding – Tips

- Do not assist or help the applicant in any way during the competitive bidding process.
 - This prohibition includes providing clerical or data entry assistance.
- If applicants ask you for assistance:
 - Refer them to existing sources of information.

FCC Form 471 (Applicants)

- After applicants choose a service provider, they file the FCC Form 471.
- Application filing window
 - A period of about 75 days each winter when FCC Forms 471 are filed for the upcoming funding year.
 - Timely filed forms are considered for funding first.
- Each chosen service provider can assist the applicant with completing much of the information required for the FCC Form 471.

FCC Form 471 (Applicants)

- The applicant and each service provider featured on a funding request on the FCC Form 471 receive a copy of the [Receipt Acknowledgment Letter \(RAL\)](#), which summarizes the information on the form.
 - The applicant can use the RAL to make corrections to the FCC Form 471.
 - Service providers can review the RAL and notify the applicant of any incorrect information.

Item 21 Attachments

- Service providers can assist applicants with the FCC Form 471, especially with the description of service filed separately from the form (the Item 21 attachment)
- This assistance can include information on:
 - Cost allocations
 - Equipment locations
 - Product and service descriptions
 - Schedule of installations
 - Network diagrams

- Keep your FCC Form 498 contact information updated.
- Offer assistance to applicants with product and service descriptions as part of the FCC Form 471 application process.
- Ask for a copy of the final Item 21 Attachment submitted to USAC.
- Consult with applicants on the invoicing method – [FCC Form 474 \(SPI\)](#) or [FCC Form 472 \(BEAR\)](#).
- Review the [FCC Form 471 Receipt Acknowledgment Letter \(RAL\)](#) and notify applicant of errors.

- Applicants undergo review of their FCC Form(s) 471 by Program Integrity Assurance (PIA).
 - Service providers can assist with:
 - Specific questions on products and services, eligible uses, network/configuration questions
 - Service providers cannot assist with:
 - Questions on the technology planning or competitive bidding processes

Application Review – Tips

- Offer to help applicants with technical questions on products and services.
- Offer to help with cost allocations.
- Remember that the ultimate responsibility for the application review rests with the applicant.
 - If for some reason you talk to PIA without the applicant, communicate your response to the applicant.

- After USAC reaches a funding decision, both the applicant and the service provider receive a [Funding Commitment Decision Letter \(FCDL\)](#).
 - “Funded”: fully funded or funded with reductions (for example, after ineligible products or services have been removed)
 - “Not funded”: denied in total or denied for threshold (if no funding is available for Priority 2 requests at that discount level)

Funding Commitments – Tips

- Review [Funding Commitment Decision Letter \(FCDL\)](#) details for each applicant.
- Help applicants prepare for start of services.
 - Do you need details from the applicant?
 - Does the applicant need details from you?
- If funding is reduced or denied, you or the applicant can consider filing an appeal of the USAC decision with USAC or the FCC.

- [FCC Form 473](#) – Service Provider Annual Certification (SPAC) Form
 - Must be filed for each funding year you provide services under E-rate.
 - In general, this form can be filed for the upcoming funding year after the filing window opens.
 - Must be on file with USAC before an invoice will be paid for that funding year.
 - Contains certifications of compliance with program rules.

Annual Certification - Tips

- If you plan to participate in the program in the upcoming funding year, file FCC Form 473 early so you don't forget.
- Read the certifications carefully and be sure you can certify truthfully.
- Check the [SPIN Contact Search](#) tool to verify that we have received and processed your form (funding year shows in SPAC column if an FCC Form 473 is on file for that year).

- Applicant files [FCC Form 486](#) to indicate:
 - Service Start Date(s)
 - Status of technology plan, if required
 - Status under the Children’s Internet Protection Act (CIPA)
- FCC Form 486 must be successfully processed – which includes passing any USAC reviews – before USAC will pay invoices for an FRN.

- Encourage applicants to file FCC Form 486 early if they are eligible.
- Notify applicants if services have started and no FCC Form 486 has been filed.
- If you are concerned, ask applicants about the status of their technology plans and compliance with CIPA.
- Reach an understanding about the definition of the service start date for each FRN.

- Two invoicing methods:
 - [FCC Form 474 \(SPI Form\)](#) is filed by service provider after billing applicant for non-discount share; USAC reimburses the service provider.
 - [FCC Form 472 \(BEAR Form\)](#) is filed by applicant with service provider's approval after applicant has paid for service in full.
 - USAC sends funds to the service provider who then reimburses the applicant within 20 business days.
 - First invoice for an FRN sets the invoicing method for that FRN.

- Bill the applicant for the non-discount share.
 - Program rules require the applicant to pay the non-discount share.
 - The expectation is that the applicant will pay your bill within 90 days.
- Allow plenty of time for the first SPI to be processed by USAC.
- Respond promptly to USAC requests.
 - Service checks
 - Other documentation

- Bill the applicant for the full cost of the eligible products and services.
- Remind the applicant to pay your bill in full before submitting BEAR.
- Remind the applicant not to wait until the last minute to file a BEAR.
- Review the BEAR before you approve it.
- Pass a BEAR reimbursement to the applicant no later than 20 days after you receive it.

- USAC home page – www.usac.org
 - [Service Providers](#) (FCC Form 498 and payments)
 - [Schools & Libraries](#) (program guidance)
 - [Trainings and Outreach](#)
 - [Service Provider Conference Calls](#)
 - [Schools and Libraries News Briefs](#)
 - [Search Tools](#)
 - [Latest News](#)

Questions?