



E-rate Program
Introduction to E-rate
 Fall 2013 Applicant Trainings



Introduction to E-rate

Overview

- General information about the program
- Technology planning
- Requesting services (FCC Form 470)
- Competitive bidding process
- Ordering services (FCC Form 471)
- Application review and funding commitments
- Begin receiving services (FCC Form 486)
- Invoicing USAC (FCC Form 472 and FCC Form 474)
- Deadlines



Introduction to E-rate
General Information



General Information

Background

- Federal Communications Commission (FCC), an independent U.S. government agency, established and oversees the E-rate Program.
- Universal Service Administrative Company (USAC), a not-for-profit company, administers the E-rate Program along with three other programs.
- The Schools and Libraries Division (SL) is the part of USAC with responsibility for the E-rate Program.



General Information

Rules

- Congress directed the FCC to establish the E-rate Program in 1996.
- The FCC sets rules and policies through orders.
- USAC develops procedures for specific actions, such as how to process applications.



General Information

Timeline

- Commitments are made by funding year (FY), which runs from July 1 through the following June 30.
- USAC refers to the funding year as the year in which most services will begin, e.g., FY2013 is July 1, 2013 to June 30, 2014.



General Information

Budget

- The FCC capped program funding at \$2.25 billion per year, until 2010 when the FCC began to adjust the cap annually for inflation
- Once a year, the FCC is required to roll over all funds that are collected and are unused from prior funding years to the next full funding year



General Information

Eligibility

- Who is eligible for funding?
 - Elementary and secondary schools and school districts
 - Non-traditional facilities (conditionally by state)
 - Libraries and library systems
 - Consortia – groups of eligible entities that band together to aggregate demand and negotiate lower prices



General Information

Discounts

- How large are the discounts on eligible products and services?
 - Discounts are 20-90 percent of eligible costs.
 - Discount level for a school or library depends on:
 - Percentage of students who are eligible for National School Lunch Program (NSLP) in
 - (for a school) the school
 - (for a library) the school district in which the library is located.
 - Urban or rural location of the school or library.



General Information

Discount Matrix

INCOME % of students eligible for NSLP	URBAN LOCATION Discount	RURAL LOCATION Discount
If the % eligible is...	...and you're in an URBAN area, your discount will be...	...and you're in a RURAL area, your discount will be...
Less than 1%	20%	25%
1% to 19%	40%	50%
20% to 34%	50%	60%
35% to 49%	60%	70%
50% to 74%	80%	80%
75% to 100%	90%	90%



General Information

Categories of Service

- Priority 1 (P1): funded first
 - Telecommunications Services
 - Internet Access
 - Telecommunications
- Priority 2 (P2): funded second and starts with neediest applicants
 - Internal Connections
 - Basic Maintenance of Internal Connections



General Information

FCC Forms

- How do I file a program form?
 - Three options:
 - File online, certify on paper
 - File online, certify online
 - File on paper, certify on paper
 - USAC encourages you to file online, because online filing speeds processing and reduces errors.



General Information

Letters

Each time applicants file a program form, USAC sends you a notification or acknowledgement letter.

- Letters are color-coded by funding year

- 2013 Pink
- 2014 Blue
- 2015 Canary

- Note: When storing documents, USAC encourages you to separate your program forms and letters by funding year to better organize them.



Introduction to E-rate

Technology Planning



Technology Planning

Technology Plans (P2 Services Only)

- A technology plan must contain the following 4 elements:
 - Goals and strategies for using technology to improve education or library services
 - Needs assessment
 - Staff training
 - Evaluation plan
- Technology plans must be approved by a USAC-certified Technology Plan Approver (TPA).



Introduction to E-rate

Requesting Services (FCC Form 470)



Requesting Services

FCC Form 470 Purpose

- Opens your competitive bidding process
- Notifies potential bidders of the types and quantities of services that you need
- Must be posted on the USAC website at least 28 days before filing the FCC Form 471

Note: Request for Proposals (RFPs) or other supplemental documents may be issued in addition to describe specific needs and circumstances. If you issue an RFP (or provide supplemental documents), both the RFP/supplemental documents and FCC Form 470 must be available for at least 28 days, and bidding cannot close until the latter of the two end dates.



Requesting Services

Acronyms

- Billed Entity Number (BEN): an identification number assigned by USAC to each school or library building
- Personal Identification Number (PIN): a code assigned by USAC to applicants for use in certifying program forms online
- Allowable Contract Date (ACD): the date which marks the end of the 28-day waiting period



Requesting Services

Response Letter

- FCC Form 470 Receipt Notification Letter (RNL): a letter issued by USAC to the applicant that summarizes the information provided in the FCC Form 470.
- If you notice mistakes, use the RNL to make allowable corrections immediately.



Introduction to E-rate

Competitive Bidding



Competitive Bidding

Competitive Bidding Requirements

- No one other than the applicant or an authorized representative of the applicant should prepare, sign or submit the FCC Form 470 or certification.
- The FCC Form 470 must describe the desired products and services with sufficient specificity to enable interested parties to submit bid responses.
- All potential bidders must have access to your FCC Form 470, RFP (or other supplemental documents describing the procurement, if you have them).
- You must evaluate the incoming bids fairly and equally.



Competitive Bidding

Sample Matrix

The price of the eligible products and services must be the most heavily weighted factor in your evaluation of bids

Factor	Points Available	Vendor 1	Vendor 2	Vendor 3
Price of the ELIGIBLE products and services	30	15	30	25
Prior experience w/vendor	20	20	0	20
Prices for ineligible services, products and fees	25	20	15	25
Flexible Invoicing: FCC Forms 472 or 474	15	0	15	15
Local or in-state vendor	10	10	8	7
Total	100	65	68	92



Competitive Bidding

Competitive Bidding Process

After the 28-day waiting period closes, on the 29th day, you can:

1. Evaluate bids received
2. Choose your service provider(s)
3. Sign a contract (if applicable)
4. Submit an FCC Form 471.



Introduction to E-rate

Ordering Services (FCC Form 471)



Ordering Services

FCC Form 471 Purpose

- Identifies the service providers and eligible services you have chosen on funding requests
- Identifies the eligible schools and libraries that will receive services
- Calculates how much support you seek for the funding year using your discount calculation information



Ordering Services

Acronyms and Terms

- Funding Request Number (FRN): The identification number assigned to each FCC Form 471 Block 5 funding request.
- Service Provider Identification Number (SPIN): The identification number assigned by USAC to a service provider.
- Item 21 Attachment (Item 21): A description of services and prices associated with each funding request.
 - Item 21 attachment(s) are part of the FCC Form 471 and are a window filing requirement.



Ordering Services

Response Letter

- Receipt Acknowledgment Letter (RAL): A letter issued by USAC to the applicant and the service provider that summarizes the information provided in the FCC Form 471, which you should carefully review.
- If you notice mistakes, use the RAL to make allowable corrections immediately.



Introduction to E-rate

Application Review and Funding Commitments



Application Review/Commitments

PIA and USAC Reviews, FCC Form(s) 471

Program Integrity Assurance (PIA) is the USAC group that reviews and makes funding decisions on program applications, as well as:

- Verifies eligibility of the schools and libraries entities, entity discount levels, and the services requested.
- Gives you an opportunity to make allowable corrections to your form.
- In some cases, asks for additional verification of your compliance with program rules.



Application Review/Commitments

Decision Letter

Funding Commitment Decision Letter (FCDL): Following application review, USAC issues this letter to both the applicant and the service provider. It contains decisions on approved or denied funding requests and next steps.



Introduction to E-rate

Begin Receiving Services (FCC Form 486)



Begin Receiving Services

FCC Form 486 Purpose

- Notifies USAC that your eligible services have started or been delivered and invoices for those services can be processed and paid
- Provides the name of the TPA that approved your technology plan (if applicable)
- Reports your status of compliance with Children’s Internet Protection Act (CIPA)—a law with specific requirements on Internet safety policies.



Begin Receiving Services

Response Letter

- FCC Form 486 Notification Letter: A letter issued by USAC to the applicant and service provider after an FCC Form 486 has been processed.



Introduction to E-rate

Invoicing USAC (FCC Forms 472, 474)



Invoicing USAC

Requirements Before Invoicing USAC

- Applicants and service providers receive an FCDL from USAC for the services being invoiced.
- Applicants must file an FCC Form 486 and receive an FCC Form 486 Notification Letter.
- Service providers must file a Service Provider Annual Certification (SPAC) FCC Form 473 each funding year.



Invoicing USAC

Two Methods of Invoicing

- 1) Billed Entity Applicant Reimbursement (BEAR) FCC Form 472: *filed by applicant* after services have been paid in full
- OR
- 2) Service Provider Invoice (SPI) FCC Form 474: *filed by service provider* after the applicant has been billed for the non-discount portion of eligible services.

Note: Applicants can choose their method of invoicing; service providers cannot force applicants to use a particular method.



Invoicing USAC

Response Letters

- **BEAR Notification Letter:** A letter issued by USAC to the applicant with a copy to the service provider after a BEAR is processed.
- **Quarterly Disbursement Report:** A letter issued to the applicant detailing all invoicing activity (BEARs and SPIs) during the previous quarter.



Introduction to E-rate

Deadlines



Deadlines

Application Deadlines

- **Tech Plan** - Drafted before the competitive bidding process and approved on or before the date when you begin receiving services or at the time you file the FCC Form 486, whichever date is earlier
- **FCC Form 470** - Posted at least 28 days before the filing of the FCC Form 471, keeping in mind the FCC Form 471 application filing window opening and closing dates
- **FCC Form 471 and Item 21 Attachment** - Received or postmarked no later than 11:59 PM ET on the day of the close of the FCC Form 471 application filing window (exact window dates will be posted on our website)



Deadlines

More Deadlines

- **FCC Form 486** - Received or postmarked no later than 120 days after the date of the FC DL or the service start date, whichever is later
- **FCC Form 472/ FCC Form 474** - Received or postmarked no later than 120 days after the date of the FCC Form 486 Notification Letter or the last date that the applicant can receive service from the provider in the funding year at issue, whichever is later
- **Appeals** - Received or postmarked no later than 60 days after the date of USAC's decision letter



Contacts

With questions, please contact us!

Phone: (888) 203-8100

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Questions?
