



E-rate Program

Maximizing Cost Effectiveness and Simplifying the Process

Fall 2014 Applicant Trainings

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Overview

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- Competitive Bidding Exemptions
- Preferred Master Contracts
- Offering Lowest Corresponding Price
- Seeking Bids on behalf Consortium Members
- Simplified Application Process
- Appealing USAC's Decisions
- Invoice Deadline Extension Requests



Competitive Bidding Exemptions

When is the FCC Form 470 not required?

- Applicants are exempted from the competitive bidding rules when ordering business-class Internet access services, if:
 - the pre-discount cost is \$3,600 or less annually, and
 - the bandwidth provided is at least 100 Mbps downstream and 10 Mbps upstream
 - service and price are commercially available
- Cost per school or library
- Cost can include one-time installation charges and eligible equipment charges and services.



Competitive Bidding Exemptions

Which entity has to post an FCC Form 470?

Entity	Annual Costs	Post FCC Form 470
ABC School – purchased 200 Mbps/ 50 Mbps	\$ 3,400.00 (\$250.00 monthly + taxes & fees and \$400 installation fee)	No. Pre-discount cost is below the threshold \$3,600.00
Reading Library (campus has 3 buildings) – purchased 500 Mbps/ 50 Mbps	\$4,288.00 (\$349.00 monthly + taxes & fees \$100 installation & equipment)	Yes. Annual cost exceeds \$3,600.00. Cost is based on per library and not per building.
Good Book System – Book Library :100 Mbps /20 Mbps Chapter Library: purchased 300 Mbps/50 Mbps	Book Library - \$2,000.00 annually Chapter Library - \$4,000.00 annually	Yes. The cost for both must be \$3,600.00. Applicants cannot average the cost to determine the pre-discount cost.



Competitive Bidding Exemptions

When is the FCC Form 470 not required? (cont'd)

Preferred Master Contracts (PMC)

- The FCC has not yet designated any contracts as PMC
- Once the FCC does designate one or more PMCs, applicants seeking **Category Two equipment** are exempt from filing the FCC Form 470 if they purchase from PMC, required to include services available on the PMC in bid evaluations or both.



Competitive Bidding Exemptions

When is the FCC Form 470 not required? (cont'd)

Preferred Master Contracts (PMC)

- Preferred master contracts are master contracts designated **by the FCC as Preferred Master Contracts** that offer eligible entities nationwide opportunities to obtain excellent pricing for Category Two equipment.
- State master contracts and nation-wide contracts **are not** the same as preferred master contracts
- The updated FCC Form 471 will have a check box to indicate you purchased from a PMC.

Can consortium leaders conduct competitive bidding?

- Yes, consortium leaders may seek bids on behalf of members without purchasing the E-rate eligible services and equipment
- Consortium leaders must have authority to conduct the competitive bidding for consortium members. A Letter of Agency (LOA) is one way to show authority.

When are technology plans required?

- Beginning in FY2015, technology plans are NO longer required to be eligible for E-rate support.
- The FCC, however, strongly encourages all applicants to carefully review existing plans given the many changes in the program resulting from the *E-rate Modernization Order*.



Simplified Application Process

Do I have to file FCC Form 471 annually?

- Yes, FCC Form 471 must be filed annually. There is no multi-year FCC Form 471.
- A simplified application process will be available for applicants who have a multi-year contract. They will not be required to complete a **full** FCC Form 471 during the subsequent contract years.
 - Must complete a **full** FCC Form 471 the first year you apply for discounts for that contract using the new FCC Form 471
 - Indicate on the FCC Form 471 you have multi-year contract the first year you apply using the new FCC Form 471



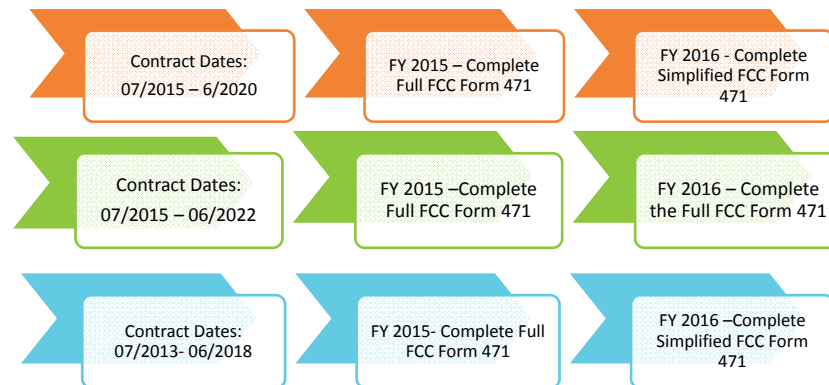
Simplified Application Process

Do I have to file FCC Form 471 annually? (cont'd)

- Contract cannot be longer than 5 years
- Required to provide basic information during the subsequent contract years
- Does not guarantee funding in the subsequent years
- Required to explain changes to funding (e.g., discount change, services, etc.)

Simplified Application Process

Do I have to file FCC Form 471 annually? (cont'd)



Simplified Application Process

What do I need in place prior to filing FCC Form 471 for contractual services?

- Applicants should have a signed contract **or** legally binding agreement prior to filing the FCC Form 471.
 - Contract must be signed and dated on or before the FCC Form 471 certified postmark date
 - Legally Binding Agreement is acceptable when the applicant can demonstrate written offer and acceptance exist. Verbal offer and/or acceptance is **not allowable**.
- Applicants are required to comply with state and local procurement rules in addition to FCC rules



Simplified Application Process

How can rural schools and libraries share broadband services?

- Rural schools and libraries may establish Direct Connections for the purpose of accessing high-speed broadband services.
- For example, libraries with low bandwidth within close proximity to a school with higher bandwidth could be added to the school's WAN.
- If program rules need to be waived, schools and libraries should file a waiver request with the FCC for the purpose of seeking E-rate support for direct connections.



Simplified Application Process

How can rural schools and libraries share broadband services?

- Direct Connections waiver requests should be filed with the FCC. For more information on how to submit a waiver request visit the [FCC's website](#)
- Waiver requests can be filed now for the FY 2015 funding year

How do I appeal an USAC decision?

- Later this fall the rule requiring appeals of USAC's decisions be filed with USAC will go into effect.
- Appeals must be filed within 60 days of the date of the decision letter.
- Appealable issues examples:
 - Services eligibility determination
 - Discount calculation
 - Entity eligibility
 - Invoice cost allocation

Seeking a waiver of a USAC decision

- USAC does not have the authority to waive FCC rules
- The FCC has the authority to waive its rules on its own motion or on petition if good cause is demonstrated
- Petitions to waive FCC rules should be submitted to the Commission **not** to USAC

Seeking a waiver of a FCC's rules

- Waiver requests examples:
 - Waive application deadlines and filing requirements
 - Waive the 28 day competitive bidding requirement
 - Ministerial and clerical errors discovered after the FCDL

How many invoice deadline extensions may I request?

- Later this fall, a new rule will go into effect requiring USAC to grant a one-time invoice deadline extension for 120 days.
- Applicants or service providers must request the extension.
- The extension request must be timely filed (on or before the invoice deadline).
- Subsequent invoice extension requests will be denied.
- For earlier funding years, any requests or appeals seeking an invoicing deadline extension of more than 12 months after the last date to invoice may be denied.

Questions?

With questions, please contact us!

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