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Schools and Libraries News Brief

September 15, 2006

BREAKING NEWS: **On September 14, the FCC released an order, DA 06-1871, granting relief for certain applicants who failed to file a timely Form 486.** In addition, USAC must develop targeted outreach procedures to inform applicants of approaching Form 486 deadlines and, going forward, provide an opportunity for applicants to submit certifications within 15 days after the deadline. USAC will post detailed guidance to the website as it becomes available.

Commitments for Funding Years 2006 and 2005

Funding Year 2006. USAC will release FY2006 Wave 22 Funding Commitment Decision Letters (FCDLs) September 19. As of September 15, FY2006 commitments total over $658 million for approved Priority 1 requests (Telecommunications Services and Internet Access).

Funding Year 2005. USAC will release FY2005 Wave 57 FCDLs September 20. This wave will include commitments for approved Internal Connections and Basic Maintenance funding requests at 81% and above. As of September 15, FY2005 commitments total just under $1.74 billion.

USAC will continue to issue weekly funding commitment waves. After noon on the date that the FCDLs are mailed, you can check to see if you have a commitment by using USAC's Automated Search of Commitments tool.

Getting Started for Funding Year 2007

What do you need to think about as you plan for your Funding Year 2007 application? Here are some suggestions to get you started:

1. What is the status of your Technology Plan?

You must have an approved Technology Plan in place if you are applying for more than basic telephone service. You should keep the following in mind:

- In general, Technology Plans can be approved for up to three years. If your Technology Plan will be three years old on June 30, 2007, you should start reviewing it now to see if you need to make any changes. Then submit a new or revised plan for approval.
- Technology Plans must cover the entire funding year or the entire period during which you will receive discounted services. If your current plan expires in the middle of the upcoming funding year, you should prepare and get approval of a new plan to cover the remainder of the funding year.
- Your Technology Plan must be created before you file your Form 470. This is because the products and services you request on your Form 470 must be consistent with your plan. Remember that different technologies may be able to assist you in accomplishing your goals, so you might consider the available technologies as you prepare your plan.
- Your Technology Plan must be approved by a USAC-certified Technology Plan Approver (TPA) before you start to receive discounted services or before you file your Form 486, whichever is earlier. If you have not already identified a certified TPA, go to the Tech Plan Approver Locator tool on the USAC website to search for one.
- Your Technology Plan must address the five required elements: goals and strategies for using telecommunications and information technology; a professional development strategy; an assessment of telecommunications services, hardware, software, and other services needed; budget resources; and an ongoing evaluation process. You

should review the Technology Planning guidance on the USAC website for more information about preparing your plan.

2. What did you apply for in FY2006?

It would be helpful to review your FY2006 application before starting your FY2007 application. If you have eligible recurring services that will continue into FY2007, you can use your FY2006 Forms 470 and 471 as guides to assist you in filing for FY2007.

Also look over the forms and read the form instructions. USAC does not expect any changes for Forms 470 and 471 for FY2007, so becoming familiar with the forms now may save you time later or provide you with additional information.

3. Will your discount level be impacted by the Two-in-Five Rule?

FY2007 is the first year that entities may be denied funding because of the Two-in-Five Rule. Beginning with FY2005, entities can only receive funding for Internal Connections in two out of every five funding years. Thus, if an entity received commitments for Internal Connections in FY2005 and FY2006, that entity would be ineligible to receive commitments for Internal Connections in FY2007.

If you applied for Internal Connections in FY2006 and do not yet have a funding decision, you may want to consider filing a duplicate funding request for FY2007. USAC cannot predict at this point what effect the Two-in-Five Rule will have on funding, but you may be able to receive discounts on Internal Connections funding requests at your discount level in FY2007 even if USAC could not fund requests at your discount level in FY2006.

4. What is your status under the Children's Internet Protection Act (CIPA)?

Starting with FY2001, you must be in compliance with CIPA if you receive commitments for Internet Access, Internal Connections, or Basic Maintenance of Internal Connections. You can be working toward compliance in your first funding year, and it is possible in very special circumstances to request a waiver in your second funding year, but most applicants must be in compliance with CIPA by the start of their second funding year. Once your first funding year is established, you cannot start over again by requesting discounts only on Telecommunications Services in a subsequent funding year. If you have questions about the requirements of CIPA, refer to the CIPA guidance on the website and the Form 486 Instructions.

5. What are your deadlines?

Most program forms and requests have deadlines. Some of the deadlines are single dates, but others depend on dates of communications from USAC, such as the Funding Commitment Decision Letter. For a quick way to find both deadlines and information on individual forms and requests, use the Deadlines Tool. The tool will either give you a specific deadline or allow you to provide the necessary information and then calculate your deadline for you.

6. Can you file a Form 470 now?

If you are ready to file your Form 470 for FY2007 now, you do not have to wait. You can file online from the Apply Online area or you can print out a Form 470 from the Required Forms area. We recommend filing online because the online system will notify you of many potential errors and you can post your form promptly.

If you have a PIN, you can certify your form online. If you do not have a PIN, USAC will issue one to you once your paper form has been processed. That PIN can then be used to certify subsequent program forms.

USAC will continue to provide updated program information as it becomes available, but it is not too early to start planning for FY2007.

FCC Proposes to Reissue FCC Forms 472, 473, 474, 479, 486, and 500

The FCC invites comment by November 13, 2006 on the following six forms it proposes to send – with slight modifications – to the Office of Management and Budget, with a request for approval for the next three years:

- Form 472, the Billed Entity Applicant Reimbursement (BEAR) Form
- Form 473, the Service Provider Annual Certification (SPAC) Form
- Form 474, the Service Provider Invoice (SPI) Form
- Form 479, Certification by Administrative Authority to Billed Entity of Compliance with Children's Internet Protection Act
- Form 486, Receipt of Service Confirmation Form
- Form 500, Adjustment to Funding Commitment and Modification to Receipt of Service Confirmation Form

Form 470 and Form 471 will remain the same for the FY2007 filing window.

All six proposed forms have been updated with notices on the Privacy Act and the Paperwork Reduction Act. In addition, the FCC has proposed the following changes:

- Form 472 will be corrected to show that service providers have 20 business days – not ten, as was previously true – to remit payments to applicants. Applicants are reminded that this is 20 business days after the service provider RECEIVES the payments, not 20 business days after USAC authorizes the payment. Mailed checks take longer than electronic transfers. *(Schools and Libraries Second Report and Order, FCC 03-101)*
- Form 473 contains an additional certification that the service provider has complied with competitive bidding rules. (*Schools and Libraries Fifth Report and Order*, *FCC 04-190*)
- The estimated response time for Form 479 has been reduced to reflect actual program practice.
- Form 486 contains a certification that the technology plan was approved before the receipt of services. (*Schools and Libraries Fifth Report and Order*, FCC 04-190)

The proposed draft forms are posted on the Required Forms page of the USAC website.

Comments should refer to OMB collections 3060-0853 (FCC Forms 479, 486, and 500) and/or 3060-0856 (FCC Forms 472, 473, and 474), and should be submitted on or before the close of business Monday, November 13, 2006 to Judith B. Herman, Federal Communications Commission, Room 1-C804, 445 12th Street SW, Washington D.C. 20554, or via the Internet to PRA@fcc.gov.

Notice of the comment period was published September 13, 2006 in the Federal Register at 71 FR 54072.

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