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Schools and Libraries News Brief

March 2, 2007

TIP OF THE WEEK: If you filed an online Form 471 for FY2007 before the close of the filing window but did not certify your form, your deadline to do so is March 12. Form 471 certifications postmarked after that date will be considered out-of-window.

Commitments for Funding Year 2006

USAC will release FY2006 Wave 46 FCDLs March 6. This wave will include commitments for approved Internal Connections and Basic Maintenance funding requests at 87% and above. As of March 2, FY2006 commitments total just under \$1.8 billion.

USAC will continue to issue weekly funding commitment waves for FY2006. 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.

Removing Entities from a Block 4 Worksheet

The Two-in-Five Rule

The [Two-in-Five Rule](#) became effective starting in FY2005. Under this rule, an entity can receive funding for Internal Connections in only two out of any five funding years. For example, an entity that received a commitment for Internal Connections in both FY2005 and FY2006 is not eligible to receive a commitment for Internal Connections in FY2007. Commitments for Internal Connections for funding years before FY2005 are not subject to this rule.

An entity is considered to use a year under this rule if it is featured on a Form 471 Block 4 worksheet cited in Item 22 of a funded Internal Connections funding request.

Beginning with FY2007, applicants filing Internal Connections funding requests were alerted if one or more of the entities they included on a Block 4 worksheet had already used (or might use, if commitments were still pending) both of their two years out of five allotted for Internal Connections funding. Online filers received a warning message; paper filers received a telephone call during USAC's data entry of their forms.

Some applicants have asked if they can remove entities from an Internal Connections funding commitment for FY2005 or FY2006 so that those entities would be eligible to receive a commitment for FY2007. Here are some examples of situations where this might be to an applicant's advantage:

- The Internal Connections funding commitment for FY2006 was for a very small project, but a large project is planned for FY2007.
- A consortium that received Internal Connections commitments in FY2005 and FY2006 listed a particular entity on the Block 4 worksheets for both funding requests, but that entity would rather forgo the FY2006 funding because it has its own Internal Connections funding request for FY2007.
- A school district listed all of its individual schools on the Block 4 worksheets for FY2005 and FY2006 even though not all of those individual schools were actually sharing the Internal Connections requested and funded.

You now have the opportunity to remove entities from FY2005 and FY2006 Block 4 worksheets. You can cancel entire Funding Request Numbers (FRNs) or you can break apart FRNs and cancel only that part of the funding request associated with the entities that you are removing.

For example, say that you received funding for an FY2006 FRN for three servers, one each for Red School, Blue School, and Green Library. You now want to give back the commitment for Green Library so that the library can be eligible for Internal Connections funding in FY2007. Red School and Blue School can keep their share of the funding commitment, and you can return the commitment associated with the server for Green Library.

If you are unsure of your status under the Two-in-Five Rule, you can use the [2-in-5 Tool](#) to find out which entities have used their years for Internal Connections and are therefore not eligible to receive Internal Connections funding in FY2007.

How to submit an entity removal request

To request the removal of one or more entities from Internal Connections FRNs, you must write a letter requesting the removal and submit it to USAC. You can submit your request before or during PIA review.

Remember, however, that there may be consequences for removing one or more entities from a funding request. For example, if the removal of entities reduces the discount level of an FRN below the funding threshold for Internal Connections for that funding year, the entire FRN will be denied.

If you are filing an entity removal request, be sure to include the following information:

1. State that you are requesting the removal of one or more entities from FRNs. We recommend that you put the heading "Entity Removal Request" at the top of your letter.
2. Provide a list of the entities you want to remove. For each entity, include the entity name, entity number and funding year.
3. For each affected FRN, print a copy of your FCC Form 471 Block 4 worksheet and the associated Block 5 funding request. On the Block 4 worksheet, draw a line through each entity you want to remove. On the Block 5 funding request, indicate your revision to the dollars requested based on the share of the funding request for the entities being removed.
4. Mark up a copy of your Item 21 attachment and indicate the dollars that are associated with each of the entities being removed. If there are no dollars associated with an entity being removed, you must include an explanation of why this is so.
5. Carefully review the information that you submit. We will review your request and recalculate the discount rate for each affected FRN based on the revised list of entities in the associated Block 4 worksheet.
6. You can submit your entity removal request by fax, mail, or online.

Fax your request to:

(973) 599-6526

Or mail your request to:

Entity Removal Request
Schools and Libraries Division – Correspondence Unit
100 South Jefferson Road
P.O. Box 902
Whippany, NJ 07981

Or submit an online request using the Submit A Question feature:

- o Go to [Submit A Question](#) and click "Continue."
- o From the Topic Inquiry menu, select "2-in-5 Rule for Internal Connections" and click "Go."
- o Select the subtopic "I want to return commitments for one or more entities so that I can get the year back." and click "Continue."
- o Complete the information requested on the following screen. Be sure to select "Yes" to notify USAC that would like to submit an attachment.
- o After you submit your information, USAC will send you a response email.
- o Gather your request and all supporting documentation and scan the documents into a single file (*.tif format preferred).
- o Follow the instructions in the response email from USAC to upload your documentation and email it to USAC.

7. USAC will review your request and may contact you with questions. After the review of your request is completed, USAC will issue a Revised Funding Commitment Decision Letter (RFCDL) to you and the affected service provider(s) indicating whether your request has been approved, partially approved, or denied. If you disagree with USAC's decision, you may appeal to USAC or to the FCC. Information on how to appeal USAC's decision will be contained in your RFCDL.

Service Provider RALs for FY2007

Today USAC issued the first batch of service provider copies of Receipt Acknowledgment Letters (RALs) for FY2007. These letters contain information from Forms 471 that were filed within the window and certified in a timely manner.

The RAL Line Item Report attached to a service provider RAL includes information from all applicants that reported funding requests featuring the same Service Provider Identification Number (SPIN). On the service provider version of the RAL, the report is organized by Form 471 application number, with up to three Funding Request Numbers (FRNs) per page. Service providers that have signed up to receive [notifications by email](#) receive the data from the RAL Line Item Report in [a RAL data file](#) but do not get an electronic copy of the letter text.

Applicants now have an additional opportunity to provide missing certifications for Forms 471 filed before the close of the filing window. Therefore, USAC will continue to issue service provider RALs over the next few weeks as timely filed forms are certified. These RALs will contain additional funding requests that feature your SPIN.

Applicants can also correct ministerial and clerical errors using their version of the RAL. If you notice an error on your RAL (e.g., an incorrect contract number or a funding request ten times smaller than what you would expect from reviewing your contract), you can alert the applicant to submit a RAL correction. Please act quickly, as the opportunity to correct errors is limited.

HATS Quote of the Month

In January 2007, USAC began a new site visit outreach initiative called Helping Applicants To Succeed (HATS). The initiative aims to assist schools and libraries that have been unsuccessful with the application process by providing specific outreach and training onsite. During a HATS visit, USAC covers each step of the application process, provides printed reference materials, and discusses the particular areas where that applicant has experienced difficulties.

USAC has scheduled a total of 40 HATS visits to date and completed 26. During calendar 2007, USAC plans to complete a total of 100 visits.

Applicants that have received a HATS visit have found this program to be of great value. They appreciate the information and resources provided and the opportunity to share suggestions. To keep you informed about the HATS program, we will include a quote from a HATS applicant in the first News Brief of each month.

HATS Quote for March:

"While having attended the USAC training this fall and having a pretty good 'handle' on the program, I was still able to learn (and hopefully provide) a great deal during the HATS visit. Providing the HATS services to small, less knowledgeable 'districts' would be very useful. Thank you for the opportunity to participate in this session."

Mike Williams, Technology Director of the Aberdeen School District

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