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Schools and Libraries News Brief

March 23, 2007

> **TIP OF THE WEEK:** If the service provider training session you want to attend is full, please sign up for the waiting list on the **service provider registration page**. We will continue to process cancellations and work the waiting list to make sure that as many service providers as possible can attend.

Commitments for Funding Year 2005

USAC will release FY2005 Wave 66B Funding Commitment Decision Letters (FCDLs) March 27. With this wave, USAC will have issued funding decisions on all of the applications that have completed the review process. A number of applications still require additional review work; the affected applicants will receive a letter from USAC with a brief explanation why USAC cannot yet issue a decision on those funding requests. Overall, this means that USAC will have issued by the end of next week one of the following for every FY2005 funding request:

- An FCDL with a funding decision.
- A letter explaining why USAC is still unable to make a funding decision.
- An earlier communication explaining why USAC has not yet issued a funding decision. (For example, certain applicants were audited and found to have extensive program rule violations. These applicants have already been notified by letter that USAC will not resume making commitments to them until they have complied with the requirements specified in that letter.)

Going forward, USAC will issue FCDLs for FY2005 as decisions can be made on remaining applications.

Overview of the Technology Plan Approval (TPA) Review Process

When you file a Form 486 to indicate that services have started (or will start, if the Form 486 is filed early), you must make a number of certifications. These certifications apply to all of the Funding Request Numbers (FRNs) you list on the form. One of the certifications concerns the approval of your technology plan and reads as follows:

> I certify that the technology plan(s) for the services received as indicated on this Form 486 have been approved as necessary. Fill in the name(s) of the organization(s) that reviewed and approved a technology plan for any eligible entity that is receiving services covered under this form; attach an additional list if necessary. If ALL of the FRNs listed herein are for basic telephone service only, write in "none" here.

Technology plans are not required for basic telephone service but they are required for all other services. Basic telephone service is defined as wireline or wireless single-line voice service (e.g., local, cellular, and/or long distance) as well as mandatory fees associated with such service (e.g., federal and state taxes, universal service fees, etc.), and it must be provided by a telecommunications carrier. Basic telephone service does NOT include advanced telecommunications services, such as Centrex, Private Branch Exchange (PBX), Digital Subscriber Line (DSL), and so on. For example, long distance service through a PBX trunk or a T-1 line is not considered basic telephone service.

USAC selects a certain number of Forms 486 for a review of the accuracy of this technology plan certification. This TPA Review is NOT a review of the technology plan itself. In other words, the reviewers don't look for the five elements that must be included in a technology plan, they don't

verify the figures in the budget, and so on. Instead, TPA Review verifies compliance with the timing of the writing, coverage, and approval of the plan.

Below is a list of the five issues that can cause an applicant to fail a TPA Review:

1. The technology plan was created after the Form 470 was posted.

Your technology plan must be created (written) before the Form 470 is posted because it is expected to form the basis for your requests. Your reviewer may ask for the "creation date" of your plan. This is not the date that your plan was approved, but the date that your plan was first created. We suggest that you save a copy of this document with the creation date and a "DRAFT" stamp or similar marking so that you can show a reviewer that you had a plan before you filed a Form 470 to solicit bids.

2. The technology plan does not cover the funding year.

Program rules require that you have an approved plan in place to cover the entire period of time during which you receive discounted services. It is not enough to have an approved plan when you file your Form 471 if that plan expires before or during the funding year for which you are applying. If your plan does expire in the middle of the year, you can have an approved updated plan to cover the second half of the year, but USAC cannot provide discounts for any period of time that is not covered by an approved technology plan. Note that USAC will modify the service start date and/or the service end date for each FRN as appropriate if your technology plan does not cover the entire year.

3. The technology plan was not approved by a USAC-certified Technology Plan Approver.

USAC certifies certain agencies to approve technology plans. In general, state departments of education and state libraries are the TPAs of choice for public schools and public libraries, respectively. USAC has also certified other TPAs to cover non-public schools and libraries.

Some applicants include on their Forms 486 the names of every individual and/or agency that reviewed their technology plan at every stage of its development. Applicants should list ONLY the USAC-certified TPA(s) in the space below the tech plan certification on the Form 486 to avoid any confusion. In fact, applicants filing online and choosing "Other" from the drop-down list of TPAs are cautioned that their typed-in entry must match an entry in the USAC database of certified TPAs.

You can use the Tech Plan Approver Locator tool on the USAC website to find a TPA to approve your technology plan or to verify that the TPA you chose has been certified by USAC. If you are unable to locate a TPA in your state, you can use Submit a Question to assist you. (Choose "Technology Planning" from the Topic Inquiry menu and then choose "I can't find my Tech Plan Approver on your website" to submit your request for assistance.)

4. The TPA that reviewed and approved the technology plan was not certified for your applicant type.

Just because a TPA is certified to approve technology plans in your state, you cannot necessarily send your plan to that agency for approval. For example, if a state library is certified to approve only library technology plans in a state, USAC will not accept a state-library-certified technology plan from a public school in that state (unless the state library has made previous arrangements with USAC due to special circumstances). Again, USAC will assist you in locating a TPA if you submit a request as described above.

If the TPA you list is not certified for your entity type, you will fail TPA Review.

5. The technology plan was not approved.

If you are required to have a technology plan, it must be approved by an appropriate USAC-certified TPA before services start or before you file the Form 486, whichever is earlier. (For information on early filing, please refer to the Form 486 Instructions.)

If you cannot provide USAC with proof of the date your plan was approved (such as a dated TPA approval letter), your Form 486 will be rejected. If the approval date on your approval documentation is later than the service start date you reported on your Form 486, USAC will

modify your service start date to the date your plan was approved and reject invoices for services provided before that date for that FRN.

If you fail a TPA Review, your Form 486 will be rejected and returned to you with a TPA Rejection Letter. This letter describes actions that you can take in response to this decision:

- If you included FRNs for basic telephone service on your Form 486, you can submit a new Form 486 listing ONLY those "basic telecom" FRNs. If you submit the new Form 486 within 20 days of the date of the TPA Rejection Letter, your service start date will not be reset. However, if you submit the new Form 486 for those FRNs after that date – or if you include "non-basic telecom" FRNs on the new form – the service start date on those FRNs will be reset according to the normal Form 486 deadline. In the near future, USAC will be modifying the report attached to the TPA Rejection Letter to clearly identify basic and non-basic telecom FRNs.
- If the program rule violation that caused the Form 486 rejection can be remedied, you can file a new Form 486 once you have complied with the program rule. For example, if your technology plan was created before the Form 470 was filed but it was never approved, you can submit your plan for approval, obtain proof of the approval date, and submit a new Form 486 with a service start date on or after the approval date.
- If you simply submit a new Form 486 with the same information as on the original form and no change in your compliance status, that form will be rejected. However, you will not continue to receive the 20-day grace period for any basic telecom FRNs listed on that new form.
- You can appeal USAC's decision either to USAC or to the FCC. Information on filing an appeal is available in the [Appeals Procedure guidance](#) on the USAC website.

Let's create a scenario and then look at some different ways an applicant could respond and the consequences of each response:

- Green Elementary School creates a technology plan on November 1, 2005.
- Green Elementary files a Form 470 based on its technology plan on November 15, 2005.
- Green Elementary does not submit its technology plan to a TPA for approval.
- USAC issues a Funding Commitment Decision Letter (FCDL) for FY2006 to Green Elementary on May 31, 2006. The FCDL fully funds three FRNs: one for basic telephone service, one for advanced Telecommunications Services, and one for Internet Access.
- On October 1, 2006, Green Elementary files a Form 486 listing all three FRNs, each with a service start date of July 1, 2006.
- USAC opens a TPA Review of the Form 486 and on November 1, 2006, USAC issues a TPA Rejection Letter for the Form 486 because the technology plan was not approved.

Possible response #1 – Green Elementary postmarks a second Form 486 on November 15, 2006 listing only the basic telecom FRN with a service start date of July 1, 2006.

- USAC processes the Form 486 and retains the service start date for the FRN of July 1, 2006 because the Form 486 was postmarked within 20 days of the date of the TPA Rejection Letter.

Possible response #2 – Green Elementary postmarks a second Form 486 on December 15, 2006 listing only the basic telecom FRN with a service start date of July 1, 2006.

- USAC processes the Form 486 and adjusts the service start date for the FRN to August 17, 2006 (120 days before the postmark date) because the Form 486 was postmarked more than 20 days after the date of the TPA Rejection Letter.

Possible response #3 – Green Elementary submits its technology plan for approval and receives a TPA approval letter from an appropriate TPA dated January 1, 2007. On February 1, Green Elementary files a second Form 486 listing the two non-basic telecom FRNs, each with a service start date of July 1, 2006.

- USAC will open a TPA Review on the Form 486 and ask for documentation. Assuming there are no other issues, USAC will reset the service start date on the two FRNs to January 1, 2007 because that is the first date that the services were covered by an approved technology plan.

Possible response #4 – Green Elementary files and certifies a second Form 486 online on December 1, 2006 featuring all three of the FRNs from the original form, all with service start dates of July 1, 2006.

- USAC will open a TPA Review on the second Form 486 and ask for documentation. Assuming there are no changes to the original scenario, USAC will issue a second TPA Rejection Letter. Green Elementary will not receive a second 20-day grace period to file the basic telecom FRN on a separate Form 486.

For more information on technology plans and Forms 486, you can refer to the following guidance documents on the USAC website:

Technology Planning
Form 486 Deadlines
Form 486 Instructions
Children's Internet Protection Act

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