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## Schools and Libraries News Brief

April 27, 2007

**TIP OF THE WEEK: If you have a new technology plan for FY2007, it's not too early to submit your plan to a [USAC-certified Technology Plan Approver \(TPA\)](#). Remember that your plan must be approved by your TPA before your file Form 486 or before services start, whichever is earlier.**

### Commitments for Funding Years 2007 and 2006

**Funding Year 2007.** Wave 1 applicant Funding Commitment Decision Letters (FCDLs) contained some incorrect dates. Funding commitment amounts were not affected; however, USAC will reissue these letters. The correct information for Wave 1 commitments is available from the [Data Retrieval Tool](#) and the [Form 471 Application Display tool](#).

Wave 2 FCDLs will be issued once the error has been fixed.

**Funding Year 2006.** USAC will release FY2006 Wave 50 FCDLs May 2. This wave will include commitments for approved Internal Connections and Basic Maintenance funding requests at 86% and above and denials at 84% and below. As of April 27, FY2006 commitments total just over \$1.9 billion.

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.

### Comment Period Opens on Technology Planning Rules

Earlier this week, the FCC released a [Public Notice \(FCC 07-1846\)](#) establishing the comment period on the program rules concerning technology plan creation and approval. A copy of the petition requesting clarification and/or waiver of these rules is available from the [Latest News](#) section of the USAC website.

Comments are due to the FCC on or before May 10, 2007. Reply comments are due to the FCC on or before May 25, 2007. For information on filing comments with the FCC, please refer to the Public Notice.

### Service Substitutions

A [service substitution](#) is a change in the products and/or services originally specified in the Item 21 Attachment for Form 471. In certain limited circumstances, applicants or service providers may request a service substitution for all or part of a funding request. In some cases, service providers or equipment manufacturers may request a "global" service substitution that would apply to all applicants that listed a particular product or service.

Applicants and service providers may need to request a service substitution from USAC for a number of reasons. For example:

- The equipment manufacturer no longer offers the particular piece of equipment listed on the funding request.
- The particular piece of equipment listed on the funding request may still be available but regular maintenance on that equipment is difficult or impossible to obtain.
- The needs of the applicant, while still within the scope of the original request, have changed.
- The applicant wants to change – or has already changed – service providers, and the new service provider offers a different product, service, or configuration than that described in the original request.

### Limitations on service substitutions

In order to be approved, a request for a service substitution must meet the following criteria:

- The substituted products and/or services must have the same functionality (see below) as the products and/or services contained in the original description of services.
- The requested service substitution must not violate any contract provisions or state or local procurement laws.
- The requested service substitution, if approved, would not result in an increase in the percentage of ineligible services or functions.
- The requested service substitution is within the scope of the Form(s) 470, including any Requests for Proposals (RFPs), that formed the basis for the original Form 471 funding request(s).

What does this mean? In general, a service substitution must fit into the scope of your original funding request and be consistent with that request. The original and the substituted products do not have to match exactly, item for item, but the overall substitution cannot involve a change in category of service or functionality.

Assume that the requested service substitution was submitted as a bid response to the original Form 470 and/or RFP. If the substituted products and/or services could have been considered as a valid response to that competitive bidding process, USAC can consider the request.

Note that the cost of the substituted products and/or services can be greater than the cost in the original request. However, USAC will not increase the amount of the funding commitment; the applicant must assume responsibility for any increase in cost. If the service substitution will result in a lower cost, USAC will reduce the funding request appropriately.

#### **Determination of same functionality**

The best way to determine if the substituted products and/or services have the same functionality as the originals is to review the functionality of both using the [Eligible Services List](#). The main webpage for all Eligible Services Lists has both current and archived versions of the list for each funding year. When you are preparing your request, be sure to use the Eligible Services List for the funding year that matches the funding year of the original Form 471 funding request.

As an example, USAC would look at the following functional categories for its review of an Internal Connections service substitution request for FY2007:

- Cabling/Connectors
- Circuit cards/Components
- Data Distribution
- Data Protection
- Interfaces, Gateways, Antennas
- Servers
- Software
- Storage Devices
- Telephone Components
- Video Components

Some of these functional categories are very limited; others are more extensive. If a service substitution is requested for Internal Connections, USAC would first review the request to verify that the substituted products fall into the same general functional category.

For example, these service substitution requests meet the requirement for same functionality:

- A network switch for a network router (Function: "Data Distribution")
- An Uninterruptible Power Supply for a tape backup (Function: "Data Protection")
- A telephone key system for a telephone PBX (Function: "Telephone Components")

In some cases, service substitutions may be approved even when the functional categories are not identical due to the varying ways in which technology is deployed. For example, an access point is a wireless networking component that is categorized in the Eligible Services List under the function of Data Distribution. Networking cable is categorized under the function of Cabling. Yet, since both network cabling and wireless access points can accomplish the same function of connecting network components, USAC can approve a service substitution request to convert from one technology to the other. Thus, an exact match of functional categories, while it can assist review of service substitution requests, is not necessarily required.

However, USAC cannot approve service substitution requests unless FCC requirements for same functionality are met. For example, a service substitution request that seeks to change a funding commitment for eligible telephone components to a funding commitment for a network router cannot be approved, because core functionality is not the same. A data distribution component is not the same functionality as a voice telephone component.

### **Additional examples**

Here are some additional examples of service substitutions that may or may not be approved:

- An applicant wants to change from voice service to video service. USAC would not approve this service substitution request because voice and video are different types of transmissions and are used for different purposes.
- An applicant wants to change from making telephone calls over telephone lines in the Telecommunications Services category of service to making calls using a Voice over Internet Protocol (VoIP) service provided in the Internet Access category of service. Such a request would be denied because it involves a change in category of service.
- A service provider has discontinued manufacturing Router X and now manufactures only Router Y. Router Y is better and faster than Router X but provides essentially the same functionality. Assuming there are no other differences, USAC can approve a service substitution of Router Y for Router X.

### **Discontinued products ("Global" Service Substitutions)**

Manufacturers and service providers may submit notification to USAC that a product or service is being discontinued, is changing model numbers, or is being replaced. USAC refers to these requests as "global" service substitutions.

Global service substitution requests must indicate that the new products or services are functionally equivalent to the products or services being replaced and have no increase in percentage of ineligible features. Global service substitutions are only applicable when the product or service originally specified on the Form 471 is no longer available or is no longer being provided by the manufacturer or service provider making the request.

USAC maintains a list of substitute products and/or services to speed the processing of invoices that specify the replacement product or service. Such service substitutions will not result in a change to an applicant's funding commitment.

Service providers should submit model changes as early as possible to avoid delays in invoice processing. USAC will respond in writing to the service substitution request and may ask for additional information before processing the request.

Because a service provider-initiated service substitution does not reference any specific funding request, USAC will not modify individual applicant funding commitments nor extend the service delivery deadline.

### **Deadlines**

Several program deadlines may affect service substitution requests.

- Service substitution requests can be submitted after USAC issues the Form 471 Receipt Acknowledgment Letter but before the last day to receive service on the associated funding request. If the service substitution request is received before the review of the application is complete, the request will be incorporated into the review process.
- Applicants are still required to comply with the deadline for filing Form 486. For more information, you can refer to the [Form 486 Deadlines guidance](#) posted on the USAC website.

### **Additional guidance**

Here are some specific suggestions to assist USAC in processing your service substitution request more efficiently:

1. Make sure you include the name and contact information for the person who can discuss the service substitution request. USAC often has questions about requests or needs additional information.
2. In general, you must make certain certifications about your request. Copy the certification language for the certifications from the website guidance as part of your request.
3. Always include the following information: type of service or make and model of equipment, quantity, cost per unit, total cost of the service or equipment, and the total cost of the From (original) and To (substituted) portions.
4. If you are correcting information about products and/or services for which USAC has already processed and paid an invoice, mark your request "Corrective" so that we understand your intent.
5. If service providers submit a global service substitution, approval of this request does not automatically grant an extension of time to deliver and install the product or service. Also, such requests cannot be applicant-specific but must apply across the board. The more detail you provide – such as manufacturer product codes (rather than codes used by resellers, vendors, or applicants), make, model, and cost per line item – the better.
6. If possible, send detailed information either electronically or on paper. This is especially important when identifying the individual entries for original and substituted products and services. Faxes can be difficult to read.
7. Review the Eligible Services List for the funding year that applies to the original funding request to verify eligibility.
8. Include the same level of detail on the substituted products and/or services that you provided on the original Item 21 attachment.
9. Provide a Letter of Agency if you are submitting on behalf of an applicant.
10. If the substituted product or service has a lower cost than the original, do not file a Form 500. USAC will adjust the dollars associated with the FRN as part of the service substitution review process.
11. Submit one copy of your request using only one mode of transmission (email, fax, or mail). If you submit multiple copies (for example, fax a copy and then mail the original), the processing of your request will be delayed.

Again, for detailed instructions, information, and additional examples, refer to the [Service Substitution guidance](#) on the USAC website.

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