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Schools and Libraries News Brief

May 18, 2007

TIP OF THE WEEK: Start collecting the information and preparing the documentation now to invoice USAC for any remaining FY2006 recurring services.

Remember that June 30, 2007 is the last day to receive recurring services for FY2006 and October 29, 2007 is the last day to submit an invoice for those services.

Commitments for Funding Years 2007 and 2006

Funding Year 2007. USAC will reissue FY2007 Wave 1 Funding Commitment Decision Letters (FCDLs) May 21. (The funding information in the original Wave 1 FCDLs was correct but incorrect information was reported in some other fields on the letters.) The May 21 letter date will be used to determine all related program deadlines for Wave 1 funding decisions. USAC will also send an updated electronic notification file to all service providers that received an original electronic notification file for Wave 1.

USAC will release Wave 2 FCDLs May 22 and Wave 3 FCDLs May 23. All three waves contain only fully funded commitments on Priority 1 (Telecommunications Services and Internet Access) funding requests.

Funding Year 2006. USAC will release FY2006 Wave 53 FCDLs May 22. 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 May 18, FY2006 commitments total just under \$1.91 billion. Starting with this wave, USAC will release FY2006 waves every other week instead of every week.

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.

Consortia

Schools, school districts, and/or libraries may form consortia to aggregate their demand, negotiate lower rates, and/or promote more efficient shared use of facilities. A consortium can allow participating eligible entities to share services and resources throughout a region or state. When establishing a consortium, a leader or lead member must be designated or chosen. The consortium leader, which may be an eligible entity or an ineligible entity, acts as a representative for all members and files the application (in other words, acts as the Billed Entity in Block 1 of the appropriate program forms) on behalf of the consortium members.

Consortium members may participate in consortia for one of two reasons:

- Consortium membership is required by state statute with mandatory participation. For example, a state may establish a statewide consortium by statute or regulation for the provision of Internet access to public elementary and secondary schools and require all public schools in the state to join the consortium.
- Consortium membership is voluntary and advantageous. For example, a state may be divided into regional library consortia and libraries within each defined geographical area can join the appropriate regional consortium and participate in various shared activities. In some instances, a state statute or regulation may have established the consortium but the key distinction here is that participation is voluntary.

If consortium membership was created by state statute or regulation and participation is mandatory, USAC may ask for a copy of the state statute that requires participation in the consortium. If consortium membership is not mandatory, USAC may ask for documentation of the relationship between the consortium leader and the consortium members.

Consortium leaders. A consortium leader is responsible for

- ensuring that necessary certifications are made and
- responding to USAC inquiries on behalf of the members.

When the consortium leader files the Form 471 and makes the Form 471 certifications, the leader is certifying that:

- Each consortium member has a properly prepared technology plan.
- Each member has secured access to all the necessary resources to make effective use of the requested discounts.
- Each member has complied with state and local procurement laws as well as all program rules.

The leader may be asked to provide documentation of these certifications. In addition, the consortium leader may be asked for documentation of other program requirements such as the collection of Letters of Agency and Forms 479 (see below).

Letters of Agency. The most common method of documenting consortium participation is a [Letter of Agency](#) (LOA). The LOA establishes an official relationship between a consortium member and the consortium leader and authorizes the consortium leader to represent the consortium member. Project agreements or contracts could also demonstrate this authorization. (When we refer to "LOA" below, we understand it to include all types of documentation that can establish this authorization.) The LOA must include the following:

- The name of the consortium leader.
- The name of the consortium member and signature and title of the person who is authorizing the filing of the application on the member's behalf (usually a school or library employee).
- The consortium member's signature date. This date must be on or before the Form 471 certification date (the date the form was certified online or postmarked).
- A specified timeframe during which the consortium leader is authorized to represent the consortium member. While the LOA can cover a multi-year period, it cannot be indefinite or open-ended. For example, the phrase "until terminated by either party" does not define an acceptable timeframe.
- The type of services covered by the LOA. This description can be as general as "All Eligible Services" or as specific as "Basic Phone Service," but it must be explicitly stated.

You can refer to the USAC website for a [Sample Letter of Agency](#).

Form 479. The consortium leader also must collect a signed [Form 479, Certification by Administrative Authority to Billed Entity of Compliance with the Children's Internet Protection Act](#) from each consortium member prior to completing the [Form 486, Receipt of Service Confirmation Form](#). However, Forms 479 need not be collected if the consortium applies only for Telecommunications Services. The consortium leader collects and retains Forms 479; these forms should not be submitted to USAC.

Program Integrity Assurance (PIA) review. During the review of a consortium application, PIA may ask for confirmation that the members of a consortium are knowing participants. To confirm this, PIA may ask for

- a copy of the state statute or regulation if the consortium was created by statute or regulation and participation is mandatory or
- copies of all of the LOAs from the individual members of the consortium if participation is voluntary.

The consortium leader can present the consortium members' individual LOAs to demonstrate that each consortium member was aware – and had expressly authorized – that discounted services would be sought on its behalf. If the consortium leader cannot produce the LOA for a consortium member – or the LOA was dated after the Form 471 was certified – PIA will remove that member from the Block 4 worksheet and may need to recalculate the funding request.

The consortium leader also must be responsible for ensuring that the services for which the consortium requests discounts are the services that the members have authorized in the LOAs. Failure to do so may result in the denial or modification of the related funding requests for consortium members.

Appeal Denial Letters to Include Tip Sheets

If an appeal is partially or completely denied, USAC issues an Administrator's Decision Letter (ADL) to the appellant. The ADL contains a detailed explanation of the reason(s) for the denial.

USAC will now include one or more Tip Sheets as appropriate with these ADLs. Tip Sheets are one-page information sheets on specific program topics that were originally developed to provide targeted information to applicants that receive [site visits](#). A complete set of Tip Sheets is posted on USAC's [Tip Sheet webpage](#).

Including Tip Sheets with ADLs will allow applicants to gain a high-level understanding of the particular issue that caused their denial and find online sources to access more detailed information. We hope that this will also assist applicants to better understand program rules and thereby be more successful in subsequent applications.

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