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Schools and Libraries News Brief

May 2, 2008

> **TIP OF THE WEEK:** **BEAR Forms 472 cannot be submitted online by applicants and then approved on paper by service providers.** Applicants must either (1) file the BEAR Form online and get the service provider to approve it online or (2) submit all four pages of a paper BEAR Form including the page 4 acknowledgment completed by the service provider.

Commitments for Funding Years 2008 and 2007

Funding Year 2008. USAC will release FY2008 Wave 2 Funding Commitment Decision Letters (FCDLs) May 6. This wave will include commitments for approved Priority 1 requests (Telecommunications Services and Internet Access) for schools and libraries at all discount levels. As of May 2, FY2008 commitments total just under $353 million.

Funding Year 2007. USAC will release FY2007 Wave 49 FCDLs May 7. This wave will include commitments for approved Internal Connections and Basic Maintenance requests at 81% and above and denials at 80% and below. As of May 2, FY2007 commitments total just over $2.3 billion.

On the day the FCDLs are mailed, you can check to see if you have a commitment by using USAC's Automated Search of Commitments tool.

Service Provider Training Registration

Service providers can still register for the service provider training session to be held May 14 in Salt Lake City. You can find detailed information on the 2008 Service Provider Training Information page. To cancel or change a registration or for more information about the training, email USAC Training or call 1-877-883-1786 ext. 408.

Early next week, you will be able to print or download the presentation materials from the link on the training announcement on the Schools and Libraries main page.

Note that although the Salt Lake City information session on the Rural Health Care (RHC) Pilot Program will be conducted by remote link, there will still be an opportunity to ask questions of the presenter.

Operational SPIN Changes

USAC uses the Service Provider Identification Number (SPIN) associated with a Funding Request Number (FRN) not just during the application review process, but also for post-commitment activities such as the processing and payment of invoices. Consequently, it is very important that each FRN feature the correct SPIN.

In certain situations, applicants can request a change to the SPIN associated with an FRN. SPIN Changes fall into two general categories:

- A Corrective SPIN change is a correction made because the existing SPIN on an FRN does not correctly identify the service provider. A Corrective SPIN change can be requested at several steps in the application process, both before and after commitment.
- An Operational SPIN change is a change from one service provider to another. An Operational SPIN change can be requested after a commitment has been made and can occur before or after services have started.

In the March 28, 2008 SL News Brief, we covered Corrective SPIN changes. In this issue we will take a look at Operational SPIN changes.

In general, Operational SPIN changes can only occur after USAC has issued a funding commitment. In other words, USAC must complete its review of the application and make a positive decision on the funding request as it was submitted before the applicant can request a change of service provider.

Here is the exception to this general rule: During Program Integrity Assurance (PIA) review, applicants can request a SPIN change on a funding request for Telecommunications Services if the SPIN they originally chose is not eligible to provide Telecommunications Services. However, the SPIN can only be changed to one that is eligible.

The applicant must make three certifications as part of a request for an Operational SPIN change:

- The change of service providers is allowed under the applicable state and local procurement rules.
- The change of service providers is allowed under the terms of the contract between the applicant and the original service provider.
- The applicant has notified the original service provider of its intent to change service providers.

Tariffed or month-to-month services

USAC can process Operational SPIN change requests for services provided without a contract. Such services include non-contracted services provided under tariff (such as basic telephone service) or a month-to-month arrangement (such as monthly Internet access). Although there is no contract, the applicant must still comply with state and local procurement rules and must notify the original service provider of its intent to change service providers.

Services covered by multi-year contracts

USAC can also process Operational SPIN change requests for services provided under a multi-year contract. However, certain additional restrictions apply:

- The contract with the new service provider cannot have an expiration date later than the contract with the original service provider.
- The term of the contract cannot be longer than the term described in the establishing Form 470 or the Request for Proposals (RFP) under which the original service provider was selected.

Service substitutions

An Operational SPIN change does **not** encompass changes or substitutions in the specific products and/or services for which discounts were provided. If the applicant requests only an Operational SPIN change, USAC will assume that the products and services covered under the approved funding request will remain the same. However, in some cases, changing service providers may also require requesting some changes to the products and/or services approved for discounts.

If the request for an Operational SPIN change will result in the need for a service substitution request, the applicant can make a simultaneous request for both. To make a simultaneous request, prepare the Operational SPIN change request following the guidance in the Operational SPIN Change guidance on the website. Then follow the steps outlined in the Service Substitutions guidance posted on the website and include a copy of the Operational SPIN change request with the service substitution request.

If there is a problem with either the Operational SPIN change request or the service substitution request and USAC is unable to proceed with one request, USAC will contact the applicant to determine if the remaining request should be processed.

Deadlines

In general, Operational SPIN changes cannot be requested before the date of the FCDL or after the last date to invoice USAC. Remember that the last date to invoice depends on the last date to receive service and, in some circumstances, extensions of both of these dates can be requested and granted. To calculate a deadline, you can use the Deadlines tool on the website.

If you are changing service providers during the funding year, you should file your Operational SPIN change request as soon as possible. As a caution, note that if you have already filed a

Form 486 for the affected Funding Request Number (FRN), USAC will continue to pay invoices from the original service provider until you submit a request for a change.

Requesting an Operational SPIN change

To prepare your request, follow the specific guidance in the Operational SPIN change guidance on the website. You should:

- provide specific information on both the original and new service providers and the costs of the products and services
- include the certifications referenced above
- clearly mark your request as an "Operational SPIN Change"
- include contact information in case USAC has questions about your request.

Operational SPIN change requests can be submitted by email, fax, or mail. Again, review the guidance on the website for submission instructions.

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