

[Back](#) [header](#)

Schools and Libraries News Brief

August 1, 2008

BREAKING NEWS: Yesterday the FCC released a [Public Notice \(FCC 08-180\)](#) establishing the comment period for the draft Funding Year 2009 Eligible Services List. Comments on the draft Eligible Services List, which is attached to the Public Notice, are due on or before August 14, 2008. Reply comments are due on or before August 21, 2008.

The FCC also issued a [Notice of Proposed Rulemaking \(FCC 08-173\)](#) seeking comment on whether certain services should be designated as eligible for funding in FY2009. The due dates for comments and reply comments will depend on the date of publication of the Notice in the Federal Register.

Commitments for Funding Years 2008 and 2007

Funding Year 2008. USAC will release FY2008 Wave 17 Funding Commitment Decision Letters (FCDLs) August 5. This wave will include commitments for approved Internal Connections and Basic Maintenance requests at 90% and denials at 79% and below. As of August 1, FY2008 commitments total over \$1.01 billion.

Funding Year 2007. USAC will release FY2007 Wave 59 FCDLs August 6. 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 August 1, FY2007 commitments total just under \$2.43 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.

Fall Training Update

This fall, USAC will offer seven training sessions at locations around the country. The [Training Information page](#) on the USAC website has information on registering for a session and making a hotel reservation.

The training sessions are open to anyone on a first-come, first-served basis. USAC will start a waiting list for each session once we reach capacity. Please be sure to cancel your training registration and your hotel reservation if your plans change.

Below is a list of the cities, dates, and number of registrants as of July 31 at 3:00 p.m. EDT:

City	Dates	Number of Registrants
Washington, DC	September 11-12	FULL
Seattle, WA	September 16-17	158
Denver, CO	September 23-24	163
Chicago, IL	October 2-3	FULL
Newark, NJ	October 6-7	180
Los Angeles, CA	October 15-16	221

Atlanta, GA	October 21-22	199
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If you have questions, [email USAC Training](#) or call 1-877-883-1786 ext. 408.

Non-recurring Services and Contracts

Services provided under the E-rate program can be divided into recurring and non-recurring services.

Recurring services, such as monthly telephone services or Internet access:

- Are usually delivered continuously for all or part of the funding year
- End no later than June 30, the last day of the funding year
- Are reported in Items 23A - 23E of a Form 471 Block 5 funding request.

Non-recurring services, such as installation of telephone service, cabling and wiring for Internet access, and Internal Connections equipment:

- Are usually delivered and installed once or at specific times
- End no later than September 30 following the funding year, although some extensions of this deadline are automatic and others can be granted under certain circumstances
- Are reported in Items 23F - 23H of a Form 471 Block 5 funding request.

The additional three-month period (July 1- September 30) for the delivery and installation of non-recurring services enables work to be completed during the summer when school is not in session. However, many applicants and service providers sign contracts for non-recurring services that expire on June 30 even though those services can be delivered and installed after that date.

This is important because USAC will not pay invoices for eligible non-recurring services delivered or installed after the last day to receive service (the service delivery deadline), or the last day your contract is valid (the contract expiration date), whichever is earlier.

If additional time is needed for the installation or delivery of non-recurring services, the applicant may need to complete two separate processes:

- File a service delivery extension request to extend the service delivery deadline
- File a Form 500 to extend the contract expiration date.

Each of these processes is discussed below.

To request a service delivery deadline extension for non-recurring services

In general, non-recurring services must be delivered and installed on or before September 30 following the close of the funding year. In some situations, the service delivery deadline can be extended for an additional year. These extensions can occur either automatically or upon request, and a Funding Request Number (FRN) may receive more than one extension.

A one-year extension of the September 30 deadline **can occur automatically** if:

- USAC issues an FCDL on or after March 1 of the funding year
- USAC issues a Service Provider Identification Number (SPIN) change approval on or after March 1 of the funding year
- USAC issues a service substitution approval on or after March 1 of the funding year.

A one-year extension of the September 30 deadline **can be requested** if:

- The applicant submits documentation to USAC on or before the September 30 service delivery deadline that the service provider was unable to complete delivery and installation for reasons beyond the service provider's control, or
- The applicant certifies to USAC on or before the September 30 service delivery deadline that the service provider has been unwilling to complete delivery after USAC withheld payment for those products and services on a properly submitted invoice for more than 60 days after submission of the invoice.

Applicants can request an extension by following the guidance in the [Service Delivery Deadlines and Extension Requests](#) document on the USAC website. If an applicant requests a service delivery extension, USAC will review the information submitted and, if appropriate, approve the extension. **USAC cannot consider service delivery extension requests submitted or postmarked after the service delivery deadline currently in effect for the FRN.**

To extend a contract expiration date for non-recurring services

Applicants report the contract expiration date in Item 20b of the Form 471. USAC will not pay invoices for products and services installed and/or delivered after the contract expiration date on file with USAC. If a service delivery extension has been approved – either automatically or upon request – applicants and service providers will need to change the contract expiration date on file with USAC if products and services will be delivered after the date currently on file.

If a contract expires before services will be delivered, applicants should do the following:

- Check the [FRN Extension Table](#) to verify that USAC has extended the service delivery deadline for the FRN.
- Determine that an extension of the contract is allowed under the terms of the contract and under state and local procurement rules and regulations.
- If allowed, negotiate an extension of the contract with the service provider.
- File a [Form 500, Adjustment to Funding Commitment and Modification to Receipt of Service Confirmation Form](#), to change the contract expiration date on file with USAC.
- After USAC issues a Form 500 Notification Letter, the products and services can be delivered and installed and USAC can be invoiced.

Note that this kind of contract extension is different from a “contract with voluntary extensions.” In this case, the applicant and service provider are extending an existing contract under an existing FRN for the same funding year to provide the additional time necessary for delivery and installation of products and services approved for that funding year. For information on contracts with voluntary extensions, refer to the [Contract Guidance](#) document on the USAC website.

Tips for funding commitments that include non-recurring services

To make this process easier, consider the following:

- If possible, set your contract to expire on September 30 rather than June 30 if the contract contains non-recurring services. This does not violate program rules and obviates the need to file a Form 500 if the work will be completed by the original deadline.
- Communicate regularly with your service provider, especially if there may be delays. Knowing early that a problem exists gives you more time to plan for the best solution.
- An approved service delivery deadline extension does not automatically extend a contract or change the contract expiration date on file with USAC. Similarly, a Form 500 does not act as a service delivery extension request or extend the service delivery deadline.
- Act promptly if you need to extend a contract or request a deadline extension. USAC receives a higher volume of requests when deadlines approach and it may take longer for USAC to process your request if you wait until the last minute.
- Remember that USAC cannot act on a service delivery extension request filed after the last date to receive service.

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[Back](#)