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Schools and Libraries News Brief

January 29, 2010

FY2010 WINDOW COUNTDOWN

Days to window close	**13**
Forms 471 filed to date	**9,992**

Form 471 Deadline: February 11, 2010 at 11:59 p.m. EST

TIP OF THE WEEK: **Even if you don't have all of your Form 471 information ready, start your form online now with the information you have in order to save time later.** Remember to print the page with your application number and security code (the page that appears after you finish Block 1 of the form) so that you can return to your online form later and complete it.

Commitments for Funding Year 2009

Funding Year 2009. USAC will release FY2009 Wave 38 Funding Commitment Decision Letters (FCDLs) February 2. This wave will include commitments for approved Internal Connections and Basic Maintenance requests at 80% and above and denials at 54% and below. As of January 29, FY2009 commitments total just over $2.15 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.

APPLICATION PROCESS: Form 471

For those applicants that are only now getting ready to file their Form 471, we are including a block-by-block description of the form with some general guidance for each block. Now would be a good time to read (or re-read) the Form 471 Instructions for detailed information on how to complete every item on the form.

Block 1: Billed Entity Information

In Block 1, when you locate your Billed Entity Number online, the system will populate the fields in Items 1 and 4 from information stored in the USAC database. If the information is incorrect, you must change it in advance of filing the form. You can do this through Submit a Question (choose "Entity Number" from the Topic Inquiry menu and "Other" from the Specific Inquiry menu) or by calling the Client Service Bureau (CSB) at 1-888-203-8100. Refer to the Entity Number guidance on the USAC website for the specific information you need to prepare your request.

Make sure you enter current contact information for the contact person in Items 6a – 6e, as Program Integrity Assurance (PIA) will use that information to contact that person when your application is reviewed. We also suggest that you provide holiday/summer/vacation contact information in Item 6f so that the review of your application can continue if your school or library is closed or your primary contact person is on vacation.

Block 2: Impact of Services Ordered on Schools

If your Form 471 funding requests include schools, you provide information in this block on the numbers of students and classrooms served and the speed of services both before and after the services are ordered. If you are filing multiple Forms 471, you should provide this data only on your first application, but your data should cover all the applications you will file.

Block 3: Impact of Services Ordered on Libraries

Similarly, if your Form 471 funding requests include libraries, you provide information in this block on the numbers of library patrons and library rooms served and the speed of services both before and after the services are ordered. If you are filing multiple Forms 471, you should provide this data only on your first application, but your data should cover all the applications you will file.

Block 4: Discount Calculation Worksheets

In this block, you identify all of the individual recipients of service (entities) for the funding requests you will complete in Block 5. If a service will be provided to only one entity (a site-specific service), you can identify that entity by its entity number in your Block 5 funding request. If a service is shared by a number of entities, you must complete a worksheet for each group of entities that will share that service and identify that group by its worksheet number. You will enter either the entity number or worksheet number in Block 5 Item 22.

If you intend to ask for discounts for entities that do not yet have entity numbers, contact CSB to obtain entity numbers for those entities as described in the guidance for Block 1 above. In addition to the entity name and number, it is important to have the additional information requested for recipients of service in order to complete Block 4, such as [urban/rural status](#) and student counts.

Block 5: Discount Funding Requests

In this block you provide the detailed information for each of your funding requests. Note that each funding request can feature only one category of service (Telecommunications Services, Internet Access, Internal Connections, or Basic Maintenance of Internal Connections), only one establishing Form 470 application number, and only one Service Provider Identification Number (SPIN).

On each request, you will identify the category of service, the establishing Form 470 application number (remember that this form must have been posted for at least 28 days before the Form 471 is submitted), and information on any contracts. You will also provide specific cost information, including:

- Monthly costs (recurring services)
- Ineligible monthly costs (recurring services)
- Number of months of service (recurring services)
- Annual or one-time costs (non-recurring services)
- Ineligible annual or one-time costs (non-recurring services)
- Discount (from Block 4 worksheet)

Note that it is possible to have entries for both recurring and non-recurring costs in the same funding request. For example, you could request discounts on the installation of a telephone line (non-recurring costs) and 12 months of telephone service on that line (recurring costs).

Block 6: Certifications and Signature

In this block you certify your compliance with and understanding of program rules. Read this information carefully to be sure you can accurately make all of the certifications.

After you have submitted your form, you can certify it online if USAC has issued you a Personal Identification Number (PIN). If you do not have a PIN, you can print out the certification page, sign it, and mail it to USAC. After USAC processes your paper certification, you will be issued a PIN that you can use to file subsequent program forms online. We recommend that you print this page while you are still online to reduce the possibility of errors.

Item 21 Attachment

The Item 21 attachment is a detailed description of the services in each of your Block 5 funding requests. The Item 21 attachment is prepared separately from the form itself. In Item 21 of each funding request, you provide an attachment number to identify the Item 21 attachment for that funding request.

We encourage smaller applicants and applicants with less complex descriptions of services to [file Item 21 attachments online](#). You will need your Billed Entity Number, Form 471 application number, and security code to access the online system. If you are a larger applicant or have a

more complex description of services, you can file your Item 21 Attachment by email, fax, or mail. Applicants should refer to the [Item 21 attachment guidance](#) on the USAC website for submission instructions and other information.

For more information on completing the Form 471, refer to the [Form 471](#) and [Form 471 Instructions](#).

Unbundled Warranties Update

On December 2, 2009, the FCC released a Report and Order which made findings about the particular changes to the [Eligible Services List (ESL)](#) recommended by USAC (FCC 09-105). Among other things, the FCC decided that unbundled warranties should not be added to the ESL. We know that this finding has caused concern for those applicants that have received E-rate discounts on Cisco's SMARTnet technical support service and other similar contracts (for the purposes of this news brief, we will call these types of agreements "SMARTnet-type contracts") in the past and those applicants that have planned to seek discounts for these contracts for Funding Year 2010. After consulting with the Federal Communication Commission's Wireline Competition Bureau (FCC), we are able to provide additional guidance on this matter.

The Commission's definition of basic maintenance states that "basic maintenance services shall be eligible as an internal connections service if, but for the maintenance at issue, the internal connection would not function and serve its intended purpose with the degree of reliability ordinarily provided in the marketplace to entities receiving such services. Basic maintenance services do not include services that maintain equipment that is not supported or that enhance the utility of equipment beyond the transport of information, or diagnostic services in excess of those necessary to maintain the equipment's ability to transport information." 47CFR 54.506(b)

Like other types of service contracts, SMARTnet-type contracts can qualify for E-rate funding under the basic maintenance definition, even after the most recent Commission order. However, if an applicant seeks discounts for a SMARTnet-type contract along with other technical support contracts, as potentially SMARTnet-type contract might not cover all of an applicant's basic maintenance requirements, there should be no overlap between the contracts. For example, if the SMARTnet-type contract provides for the repair of equipment, the applicant's other technical support contract(s) should not also provide repair service for the same equipment covered by the SMARTnet-type contract. In other words, duplicative contracts for basic maintenance will not be funded by E-rate.

Coming Soon - FCC E-Rate Survey

On behalf of the FCC, Harris Interactive, Inc., a national marketing research firm, plans to send out a survey to randomly selected E-rate applicants to determine the current state of broadband access and usage of schools and libraries and future technological needs. The survey will be sent out after the close of the FY2010 filing window and President's Day, February 15th. The information from this survey will help determine how to best address the educational and technological needs of schools and libraries under the E-rate program and help the Commission to make future policy decisions for the E-rate program. The Commission would appreciate your prompt response if you are selected to participate in the survey.

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