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## Schools and Libraries News Brief

June 11, 2010

**TIP OF THE WEEK: If you file BEAR Forms, gather your service provider bills for eligible FY2009 recurring services so that you can complete your invoicing for FY2009.** Remember that June 30, 2010 is the last day to receive FY2009 recurring services and October 28, 2010 is the deadline to invoice USAC for those services.

### Commitments for Funding Years 2010 and 2009

**Funding Year 2010.** USAC will release FY2010 Wave 4 Funding Commitment Decision Letters (FCDLs) June 15. This wave will include commitments for approved Priority 1 (Telecommunications Services and Internet Access) requests at all discount levels. As of June 11, FY2010 commitments total just under \$530 million.

**Funding Year 2009.** USAC will release FY2009 Wave 57 FCDLs June 17. This wave will include commitments for approved Internal Connections and Basic Maintenance requests at 78% and above and denials at 69% and below. As of June 11, FY2009 commitments total just under \$2.73 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.

### Comment Periods Established for Two FCC NPRMs and Draft FY2011 ESL

The FCC has released [Public Notice DA 10-1045](#), announcing the comment deadlines for the *E-rate Broadband Notice of Proposed Rulemaking (NPRM)* released May 20, 2010 and the *Eligible Services List (ESL) Order and Further Notice of Proposed Rulemaking (FNPRM)* released December 2, 2009. The *E-rate Broadband NPRM* and the *ESL Order and FNPRM* were published in the Federal Register on June 9, 2010.

The FCC also seeks comment on the [draft FY2011 ESL](#) proposed by USAC. Many of the proposed changes for the draft FY2011 ESL are based on proposals in the *ESL Order and FNPRM* and the *E-rate Broadband NPRM*.

For both notices of proposed rulemaking and the draft ESL, interested parties may file **comments on or before July 9, 2010**, and **reply comments on or before July 26, 2010**. For more information and instructions on how to file comments, you can refer to the Public Notice.

### Fall Applicant Training Registration Continues

There is still time to register for most of the fall applicant training sessions. To register online and to locate information on reserving a room at a conference hotel, go to the [Fall 2010 Applicant Training page](#) on the USAC website and click on the link for the training session you wish to attend.

The sessions in Washington, DC and Los Angeles are full and registration for these sessions has closed. The other six sessions are still open. If you are informed that you are on a waiting list, please be patient. We will actively work the waiting lists as we receive cancellations. Please do cancel your registration if your plans change so that someone else can register.

You can continue to email any questions about the fall applicant training to [USAC Training](#).

### Form 486 Notification Letters

USAC issues Form 486 Notification Letters to applicants and service providers after Forms 486 have been certified by applicants and successfully processed by USAC. Invoices cannot be paid for an FRN until USAC issues a Form 486 Notification Letter for that FRN.

USAC issues Form 486 Notification Letters once each week for all Forms 486 successfully processed since the last batch of letters was issued.

- Each applicant letter summarizes the information for all FRNs on a single Form 486.
- Each service provider letter summarizes the information for all FRNs that feature that service provider's SPIN on all Forms 486. If a service provider has more than one SPIN, USAC will issue one service provider letter for each SPIN.
- You can view a [sample of the applicant letter](#) and a [sample of the service provider letter](#) on the USAC website.

Note that USAC must sometimes adjust the service start date reported on the Form 486 to comply with program rules. For example:

- If an applicant must be compliant with the Children's Internet Protection Act (CIPA) but does not come into compliance until after the service start date reported on the Form 486, USAC will adjust the service start date to the date the applicant came into compliance with CIPA.
- If an applicant must have an approved technology plan but the technology plan is not approved until after the service start date reported on the Form 486, USAC will adjust the service start date to the date the technology plan was approved.

If USAC adjusts a service start date, the adjusted date will appear on the Form 486 Notification Letter with an asterisk and an explanation of the reason for the adjustment.

### **TPA review of Form 486**

In some cases, USAC may review a Form 486 for compliance with the program requirements for technology planning before the form can be successfully processed. We refer to this review as a Technology Plan Approval (TPA) review. If a Form 486 undergoes TPA review, USAC does not issue a Form 486 Notification Letter until all compliance issues have been resolved. In addition, USAC may have to adjust the reported service start date as described above.

If the technology plan covering the requested services meets program requirements and USAC can verify the approval of the technology plan, the Form 486 passes TPA review and moves to a certified status. If not, one of the following can occur:

1. The Form 486 does not pass TPA review but USAC can still process FRNs for services that do not require a technology plan.
2. The Form 486 fails TPA review and USAC issues a Form 486 Rejection Letter.
3. The applicant cancels the Form 486.

Each of these situations is discussed below.

### **1. FRNs that contain services for which a technology plan is not required**

Some services do not require a technology plan – i.e., basic telephone service, interconnected Voice over Internet Protocol (VoIP) services, and voicemail. For the discussion below, we refer to these services as "basic" services, and FRNs that contain only basic services as "basic" FRNs. Services that do require a technology plan are referred to as "non-basic" services, and FRNs that contain only non-basic services as "non-basic" FRNs.

- If the Form 486 will not pass TPA review but it features one or more basic FRNs, USAC will give the applicant the option to remove the non-basic FRNs. If the non-basic FRNs are removed, USAC can then process the Form 486.
- If an FRN contains both basic and non-basic services, the applicant has two options: (1) separate the commingled services into a basic FRN and a non-basic FRN and remove the non-basic FRN from the Form 486 or (2) entirely remove the non-basic services from the FRN, essentially cancelling the non-basic services. After the non-basic services are removed, USAC can then process the Form 486. In either case, the applicant may be required to provide a cost allocation to identify the non-basic services.
- If it is possible to correct the problem that prevented the Form 486 from passing TPA review and the applicant does so (e.g., the applicant's technology plan is later approved by a USAC-certified technology plan approver), the applicant can then submit another Form 486 featuring the non-basic FRNs.

### **2. Form 486 Rejection Letter**

If the Form 486 fails TPA review, USAC will reject the Form 486 and notify the applicant with a **Form 486 Rejection Letter**. (USAC does not issue a copy of this letter to the service provider.) The Form 486 Rejection Report attached to the letter provides the reason(s) for the rejection and also identifies any basic FRNs.

- Applicants will have 20 days from the date of the Form 486 Rejection Letter to certify a new Form 486 featuring the basic FRNs. NOTE: This generally occurs when the applicant either (1) chose not to exercise one of the options mentioned in Item 1 above or (2) USAC was unable to contact the applicant during the TPA review.
- If it is possible to correct the problem that caused USAC to reject the Form 486 and the applicant does so, the applicant can then submit a new Form 486 for the non-basic FRNs.

### **3. Form 486 Cancellation Letter**

If USAC, in consultation with the applicant, cancels a Form 486, USAC will issue a **Form 486 Cancellation Letter** to the applicant stating that the form has been canceled. USAC will also issue a copy of the applicant letter to each SPIN referenced on an FRN from that Form 486. As above, the applicant can later submit a new Form 486.

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