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Schools and Libraries News Brief

September 3, 2010

TIP OF THE WEEK: **If you use the Form 471 Application Status Tool, the status of each form appears at the top of your search results, to the right of its application number and applicant form identifier.** For an explanation of a status, refer to the Explanation table below your search results.

Commitments for Funding Years 2010 and 2009

Funding Year 2010. USAC will release FY2010 Wave 16 Funding Commitment Decision Letters (FCDLs) September 8. This wave will include commitments for approved Priority 2 (Internal Connections and Basic Maintenance) requests at 90%. As of September 3, FY2010 commitments total over $1.16 billion.

Funding Year 2009. USAC will release FY2009 Wave 65 FCDLs September 9. This wave will include commitments for approved Priority 2 requests at 77% and above and denials at 76% and below. As of September 3, FY2009 commitments total over $2.77 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 Applicant Training Registration Continues

The Fall 2010 Applicant Training page on the USAC website has information on how to register and how to make hotel reservations for the six training sessions that are still open. Please cancel your registration if your plans change.

Remember you only have a few days to reserve a hotel room at the conference rate for Washington DC (deadline September 7) and Minneapolis MN (deadline September 13).

For questions, cancellations, or requests for information, you can continue to email USAC Training.

Service Substitutions, Part 2

A service substitution is a change in the products and/or services originally specified in the Item 21 attachment for Form 471. In the August 27 SL News Brief, we covered basic information on service substitutions. Below are additional examples and guidance on discontinued products and deadlines.

Additional examples of allowable and unallowable service substitutions

- An applicant wants to change from PBX (voice) equipment to CODEC (video) equipment. USAC would not approve this service substitution request because voice and video components are of different functionalities.
- An applicant wants to change from local and long distance telephone service in Telecommunications Services to email accounts in Internet Access. Such a request would be denied because the services are not functionally equivalent and the substitution would involve a change in category of service.
- A service provider has discontinued manufacturing Router X and now manufactures only Router Y. Router Y is better and faster than Router X but provides essentially the same functionality. Assuming there are no other differences, USAC can approve a service substitution of Router Y for Router X on an applicant by applicant basis OR if the manufacturer of the router submits the change to USAC directly, this can be processed as a "global" service substitution (see below).
- An applicant wants to switch from an expensive router to a less expensive switch. USAC will approve this service substitution request because the functionality of the equipment remains the same. USAC will remove the dollars associated with the difference in the

price of the two pieces of equipment from the commitment. The applicant does NOT need to file a Form 500 in this case; USAC will calculate the reduction to the funding request.

- An applicant realizes that the installed equipment was not Server X, the requested server on the Item 21, but in fact Server Z. An applicant submits this change as a "corrective" service substitution (see below). Assuming that these are the same functionality, with no significant differences, USAC will be able to approve this request.

Discontinued products ("Global" service substitutions)

Manufacturers and service providers may submit notification to USAC that a product or service is being discontinued, is changing model numbers, or is being replaced. USAC refers to these requests as "global" service substitutions.

Global service substitution requests must indicate that the new products or services are functionally equivalent to the products or services being replaced and have no increase in percentage of ineligible features. Global service substitutions are only applicable when the product or service originally specified on the Form 471 is no longer available or is no longer being provided by the manufacturer or service provider making the request.

USAC maintains a list of substitute products and/or services to speed the processing of invoices that specify the replacement product or service. Such service substitutions will not result in a change to an applicant's funding commitment.

Service providers should submit model changes as early as possible to avoid delays in invoice processing. USAC will respond in writing to the service substitution request and may ask for additional information before processing the request.

Because a service provider-initiated service substitution does not reference any specific funding request, USAC will not modify individual applicant funding commitments nor extend the service delivery deadline.

Deadlines for requesting service substitutions

In general, a service substitution request must be received or postmarked by the last day to receive service for the corresponding FRN. The last day to receive service is:

- June 30 of the relevant Funding Year for recurring services or
- September 30 following the close of the Funding Year for non-recurring services. Remember, however, that the deadline for delivery and installation of non-recurring services can be extended (see Service Delivery Deadlines and Extension Requests for more information).

Several other program deadlines may affect service substitution requests:

- Service substitution requests can be submitted after USAC issues the Form 471 Receipt Acknowledgment Letter but before the last day to receive service on the associated funding request. If the service substitution request is received before the review of the application is complete, the request will be incorporated into the review process.
- Applicants are still required to comply with the deadline for filing Form 486. For more information – especially if services cannot start until your service substitution request is approved – refer to the Form 486 Deadlines guidance posted on the USAC website.

Additional guidance

Here are some specific suggestions to assist USAC in processing your service substitution request more efficiently:

1. Make sure you include the name and contact information for the person who can discuss the service substitution request. USAC often has questions about requests or needs additional information.
2. In general, you must make certain certifications about your request. Copy the certification language for the certifications from the website guidance on Service Substitutions as part of your request.
3. Always include the following information: type of service or make and model of equipment, quantity, cost per unit, total cost of the service or equipment, and the total cost of the From (original) and To (substituted) portions.

4. If you are correcting information about products and/or services for which USAC has already processed and paid an invoice, mark your request "Corrective" so that we understand your intent.

5. If service providers submit a global service substitution, approval of this request does not automatically grant an extension of time to deliver and install the product or service. Also, such requests cannot be applicant-specific but must apply across the board. The more detail you provide – such as manufacturer product codes (rather than codes used by resellers, vendors, or applicants), make, model, and cost per line item – the better.

6. If possible, send detailed information either electronically or on paper. This is especially important when identifying the individual entries for original and substituted products and services. Faxes can be difficult to read.

7. Review the Eligible Services List for the funding year that applies to the original funding request to verify eligibility.

8. Include the same level of detail on the substituted products and/or services that you provided on the original Item 21 attachment.

9. Provide a Letter of Agency if you are submitting the request on behalf of an applicant.

10. If the substituted product or service has a lower cost than the original, do not file a Form 500. USAC will adjust the dollars associated with the FRN as part of the service substitution review process.

11. Submit one copy of your request using only one mode of transmission (email, fax, or mail). If you submit multiple copies (for example, fax a copy and then mail the original), the processing of your request will be delayed.

Again, for detailed instructions, information, and additional examples, refer to the guidance on Service Substitutions on the USAC website.

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