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## Schools and Libraries News Brief

November 12, 2010

**TIP OF THE WEEK:** If you file the current FY2011 Form 470 online, be sure to certify it either online or on paper as soon as possible. After the revised Form 470 is posted to the USAC website, the certification options for the current (October 2004) version of the form will no longer be available.

### **Commitments for Funding Years 2010 and 2009**

**Funding Year 2010.** USAC will release FY2010 Wave 26 Funding Commitment Decision Letters (FCDLs) November 16. This wave will include commitments for approved Priority 2 (Internal Connections and Basic Maintenance) requests at 85% and above. As of November 12, FY2010 commitments total over \$1.59 billion.

**Funding Year 2009.** USAC will release FY2009 Wave 73 FCDLs November 15. This wave will include commitments for approved Priority 2 requests at 77% and above and denials at 76% and below. As of November 12, 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 <u>Automated Search of Commitments</u> tool.

#### FCC Wireless Pilot Program EDU2011

On November 8, 2010, the Federal Communications Commission (FCC) released <u>Public Notice DA 10-2128</u> for the E-rate Deployed Ubiquitously (EDU) 2011 Pilot Program. The Commission launched the EDU2011 pilot program as part of the <u>Sixth Report and Order (FCC 10-175)</u> to investigate the merits and challenges of the wireless off-premises connectivity services for mobile learning devices. To be considered for EDU2011 funding, applicants must address the application requirements stated in the Public Notice and submit their applications to the FCC on or before December 17, 2010.

#### Erratum to the FCC Sixth Report and Order and FY2011 Eligible Services List

On November 8, 2010, the FCC released an <u>Erratum to the Sixth Report and Order</u>. The Erratum amends six entries in the Sixth Report and Order and also amends five entries and corrects hyperlinks and the index page references in the Eligible Services List (ESL) for Funding Year 2011.

# Questions from Applicant and Service Provider Training about the FCC's Sixth Report and Order

The following questions were among the most commonly asked at USAC's eight applicant and two service provider training sessions that started in September 2010 and finished earlier this week.

#### Q1. When will the rules as part of the Sixth Report and Order become effective?

The rules will become effective 30 days after publication of the summary of the Sixth Report and Order in the Federal Register. However, different sections of the order may have different timelines. The FCC will be providing specific guidance and timelines on the sections of this order in the near future. Please note that the guidance and timeline information to be provided by the FCC will apply to the topics addressed below.

#### Q2. When will the revised Forms 470 and 471 become available?

The revised Forms 470 and 471 have been approved by the Office of Management and Budget (OMB) and returned to the FCC for final review. The FCC will be issuing a Public Notice containing the effective date of the forms and providing any additional guidance necessary for filing the forms in a timely manner for FY2011.

Keep in mind that Forms 471 cannot be filed in advance of the FY2011 application filing window, which is currently targeted for early January 2011. We expect both revised forms to be available at about the same time.

#### Q3. Which companies can provide leased dark fiber?

For FY2011, service providers that can lease dark fiber to applicants include – but are not limited to – eligible telecommunications providers; state, regional, and local networks; utility companies; and private networks. These companies can also provide telecommunications over fiber.

#### Q4. How should applicants apply for leased dark fiber?

We suggest that applicants include requests for leased dark fiber in both the Telecommunications Services and Internet Access categories of service (Items 8 and 9 on the Form 470) to maximize the pool of potential providers. After selecting the most cost-effective provider, applicants should proceed as follows:

- If the chosen provider is an eligible telecommunications provider, file the Form 471 funding request in the Telecommunications Services category of service.
- If the chosen provider is not an eligible telecommunications provider, file the Form 471 funding request in the Internet Access category of service.

# Q5. Will unbundled warranties – e.g., SmartNet – be eligible for discounts? If not, what should applicants do if they signed a multi-year contract for these warranties?

Following the guidance in the Sixth Report and Order, unbundled warranties will not be eligible for discounts. However, the FCC is reviewing this issue and will provide more detailed guidance in the near future.

### Q6. How and when can I dispose of equipment purchased with E-rate discounts?

Disposal or resale of equipment purchased with E-rate discounts is permitted no sooner than five years after the installation date of that equipment. Applicants are not required to use the equipment for five years, nor are they required to dispose of it after five years.

Applicants disposing of equipment under this guidance are not required to notify USAC, but they are advised to update their asset registers to reflect the disposition of the equipment.

### Q7. Will dormitories be eligible for E-rate discounted services? If so, which ones?

Going forward, residential facilities that service populations facing unique challenges can receive support for services in residential areas (dormitories) of their schools. These include:

- Schools on Tribal lands.
- Schools that serve children with physical, cognitive, and behavioral disabilities.
- Schools that serve children with medical needs.
- Juvenile Justice schools in states where these schools are eligible for E-rate.
- Schools with 35% or more students eligible for NSLP. (This translates to a 60% E-rate discount level for urban locations and 70% E-rate discount for rural locations.)

# Q8. How can I apply for the off-premise wireless Internet access pilot program (EDU2011)?

Applicants will apply directly to the FCC for acceptance to the E-rate Deployed Ubiquitously (EDU) 2011 pilot program. The FCC has issued a Public Notice (see above) that contains specific information on the application process. The pilot program will support innovative and interactive off-premise wireless device connectivity for schools and libraries. Applicants for the pilot program must also follow the normal application procedures for the E-rate program. The additional services not currently eligible for E-rate discounts should be filed on a separate Form 471 featuring "EDU2011" as the Applicant Form Identifier.

#### Q9. What are the limitations on gifts from service providers to applicants?

Service provider gifts are limited to the following:

 Modest refreshments not offered as part of a meal (e.g., coffee and doughnuts at a meeting).

- Items with no intrinsic value such as certificates and plagues.
- Items worth \$20 or less (meals, pencils, pens, T-shirts, etc.) as long as those items do
  not exceed \$50 per funding year per employee from any one source (service provider).
   "One source" includes all employees, officers, representatives, agents, independent
  contractors, and directors of the service provider.

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