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February 24, 2012

**FY2012 WINDOW COUNTDOWN**

<b>Days to window close</b>	<b>25</b>
<b>Forms 471 filed to date</b>	<b>8,924</b>
<b>Online Item 21 attachments filed to date</b>	<b>17,693 FRNs</b>

**TIP OF THE WEEK:** Remember that the **Item 21 attachment is a window filing requirement.** You can [file your Item 21 attachment\(s\) online](#) if you have your Billed Entity Number, FCC Form 471 application number, and security code.

## Commitments for Funding Years 2011 and 2010

**Funding Year 2011.** USAC will release FY2011 Wave 36 Funding Commitment Decision Letters (FCDLs) February 28. This wave includes commitments for approved Priority 2 (Internal Connections and Basic Maintenance) requests at 90%. As of February 24, FY2011 commitments total over \$1.83 billion.

**Funding Year 2010.** USAC will release FY2010 Wave 87 FCDLs February 29. This wave can include commitments for approved Priority 2 services at all discount levels. As of February 24, FY2010 commitments total over \$3.00 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.

## Apply for P1 and P2 Services on Separate FCC Forms 471

If you are applying for both Priority 1 (P1 - Telecommunications Services and/or Internet Access) and Priority 2 (P2 - Internal Connections and Basic Maintenance of Internal Connections), we strongly urge you to file your P2 requests on a separate FCC Form 471. Applicants that combine P1 and P2 requests on the same FCC Form 471 must wait much longer for decisions on their funding requests than those applicants that separate their requests.

Why is this? The first funding waves for a funding year contain decisions on P1 requests only. The determination that sufficient funds are available to fund P2 requests at 90% is complicated and can take several months. For discount levels below 90%, this determination process continues – sometimes one discount level at a time – until available funding is insufficient to fund all potentially eligible requests at a specific discount level.

Because USAC is unable to separate P1 and P2 requests combined on a single FCC Form 471, decisions on the P1 requests cannot be issued until USAC is able to make decisions at the applicant's approved discount level for the P2 request(s).

In the past several years, some applicants have filed both P1 services and P2 basic maintenance on the same FCC Form 471, probably because these services may be billed on a monthly basis. However, note

that basic maintenance is a P2 service, and combining P1 and P2 services on the same FCC Form 471 will delay funding decisions.

## Preparing and Submitting Item 21 Attachments

The Item 21 attachment is an important part of each FCC Form 471 Block 5 funding request. It contains a detailed description of the products and services you are requesting. When you file an FCC Form 471, the online system assigns a Funding Request Number (FRN) to each funding request. You provide an attachment number in Item 21 of each Block 5 funding request that will correspond with your Item 21 attachment, and then you submit that Item 21 attachment separately from the application.

You may choose to number your attachments #1, #2, etc. or use a descriptive name for each. Regardless of the method you choose, be sure to identify each Item 21 attachment with the number or name you indicated in the associated Block 5 funding request.

### **NOTE: You must provide an Item 21 attachment for EACH FRN on your Form 471.**

Following are some specific tips for Item 21 attachments for each of the four categories of service – Telecommunications Services, Internet Access, Internal Connections, and Basic Maintenance of Internal Connections. If you include the information suggested in the tips, your PIA reviewer will be able to more easily make determinations of the eligibility of the components of each of your funding requests.

#### **- Telecommunications Services**

**Provide the specific type(s) of service requested.** For example, instead of "Telecommunications" or "Telephone service," state "Local and Long distance service." If the specific type of service is not identified, PIA is required to ask for this information.

**Provide the number of lines, including the number of extensions.** Many entities have a single billed telephone number with several lines or extensions associated with the main billing line. Be sure to include those lines and extensions in your line count. For example, if your school or library has a main line and 12 additional extensions, enter "13" for the number of lines.

**For digital transmission services, provide the bandwidth.** While some services have a set bandwidth – e.g. a T-1 circuit is 1.544 Mbps – the bandwidth of other services such as wireless or fiber service is variable. If you are not sure of the speed of your service, check your bill, review your contract (if applicable), or ask your service provider. This information is very important for data collection purposes; as above, PIA must ask you for this information if it is not listed in your Item 21 attachment.

#### **If you are submitting a copy of your bill as all or part of your Item 21 attachment:**

- Pick a bill that represents your typical monthly costs. One month is generally sufficient. Don't send bills for all 12 months of service for the previous year.
- Make sure the dollar amount of the bill is typical of your monthly costs and supports your request. A monthly bill for \$100 will not, alone, support an FRN requesting \$150 per month. Also, a bill for a month when school is not in session may not accurately reflect your typical monthly costs. If you expect your expenses for an FRN for the new funding year to be greater than that reflected on the bill you submit (as part of your Item 21 attachment) from the current year, you need to explain and justify why the amount you are budgeting is a reasonable estimate for the new funding year.
- Include the page(s) that detail any miscellaneous charges and/or credits. Your reviewer must be able to identify those costs to determine their eligibility.
- Identify any ineligible charges. You can submit a bill with ineligible charges – just make sure you clearly identify them. If they are not identified, the PIA reviewer will have to ask you additional questions.

#### **- Internet Access**

**For digital transmission circuit(s) for basic conduit access to the Internet, provide the bandwidth of the services you are requesting.** As above, if you are requesting more than one circuit, include the number of circuits.

**If you are requesting web hosting services, ask your service provider for a cost allocation and provide it as part of your attachment.**

- Clearly identify the total cost of the service as well the percentage of the total cost for which you are seeking funding. For example, if a web hosting company's service is 75% eligible and the

service costs \$100 per month, state that you are seeking discounts on \$75 of the \$100 per month and not requesting discounts on the ineligible 25%. By identifying the eligible and ineligible portions beforehand, you will reduce questions from PIA and ensure that you have budgeted sufficiently to pay for your share of the service.

### - Internal Connections

**For all Internal Connections requests, provide the make and model number and the quantity of any equipment included in your funding request.** PIA will ask for this information if it is not already included.

**For bundled products, in addition to the make and model numbers, provide the SKU.** The SKU, or stock-keeping unit, is a unique identifying number assigned by a company to each of its products and/or services. Bundled products often contain ineligible components or features, and USAC works with many service providers to ensure that cost allocations appropriately reflect eligible and ineligible components of bundled service. With this information, USAC can more easily identify and apply the correct cost allocation.

**If equipment can be used in both eligible and ineligible ways, clearly describe what you are using the equipment for.** For example, a server can be eligible if used for email but not eligible if used for caching. If you are requesting a web server or terminal server, be sure to state the specific functions it will be performing and provide a [cost allocation](#) if some of the functions are ineligible.

**If you are requesting discounts on equipment such as cabinets, racks, and UPSs, identify the equipment they are supporting.** These types of equipment are eligible only in proportion to the eligibility of the equipment they serve or house. Although you may be ordering these types of equipment along with fully eligible internal connections equipment, PIA cannot assume that only those eligible items will be housed on the accompanying cabinet or rack or supported by the UPS.

- If only eligible equipment will be supported or housed, you should state that and provide the make and model numbers of the eligible equipment.
- If both eligible and ineligible equipment will be supported or housed, you should provide that information together with an appropriate cost allocation.

### - Basic Maintenance of Internal Connections

**Provide a list of all of the equipment being supported by the basic maintenance.** This list should include the make, model number, quantity, and location of the equipment being supported.

**State the basic maintenance tasks that will be performed and the costs associated with those tasks.** As a reminder, services such as software upgrades and patches – including bug fixes and security patches – and online and telephone-based technical assistance and tools may be invoiced as a one-time charge. Other basic maintenance tasks such as those performed on a time and material basis will continue to be funded; however, USAC will only process invoices for actual work performed or for hours of labor actually used.

**If your basic maintenance contract includes both eligible and ineligible equipment, be sure you indicate what portion of the price reflects the price for maintenance of the ineligible equipment.** Examples of ineligible equipment include desktop computers and telephones.

### Service provider assistance

Remember that it is entirely appropriate to involve your service provider in the process of creating your Item 21 attachment. Your service provider may have specific details that USAC needs or be able to easily provide network diagrams, SKUs, or other information not readily available to you.

Be sure also to share with your service provider a copy of the Item 21 attachment you submit to USAC. This will help your service provider understand exactly what you are requesting, and will be invaluable during the application review and invoicing processes.

### For more information

For detailed information and examples – including information on submission options – refer to the [Item 21 Attachments guidance document](#) on the USAC website.

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