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TIP OF THE WEEK: Remember that you can use the [View 471 Status](#) tool to track the progress of the review of your FCC Form 471. For a detailed description of this tool, refer to the [March 22, 2013 SL News Brief](#).

Commitments for Funding Years 2013 and 2012

Funding Year 2013. USAC will release Funding Year (FY) 2013 Wave 24 Funding Commitment Decision Letters (FCDLs) October 30. This wave includes commitments for approved Priority 1 (Telecommunications Services and Internet Access) requests at all discount levels. As of October 25, FY2013 commitments total just under \$1.16 billion and encompass 27,160 of FY2013 applications.

Funding Year 2012. USAC will release FY2012 Wave 66 FCDLs October 31. This wave includes commitments for approved Priority 2 (Internal Connections and Basic Maintenance) requests at 90 percent and denials at 89 percent and below. As of October 25, FY2012 commitments total over \$2.80 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.

FCC Releases Eligible Services List Report and Order

On October 22, 2013, the Federal Communications Commission (FCC) released a Report and Order ([DA 13-2037](#)) releasing the [Eligible Services List](#) for FY2014.

Service Substitutions

A [service substitution](#) is a change in the products and/or services originally specified in the [Item 21 attachment](#) associated with a funding request (FCC Form 471 Block 5). In certain limited circumstances, applicants or service providers may request a service substitution for all or part of a funding request. In some cases, service providers or equipment manufacturers may request a "global" service substitution that would apply to all applicants that listed a particular product or service in the Item 21 attachment.

Applicants and service providers may need to request a service substitution from USAC for a number of reasons. For example:

- The equipment manufacturer no longer offers the particular piece of equipment listed on the funding request.
- The particular piece of equipment listed on the funding request may still be available but regular maintenance on that equipment is difficult or impossible to obtain.
- The needs of the applicant, while still within the scope of the original request, have changed.
- The applicant wants to change – or has already changed – service providers, and the new service provider offers a different product, service, or configuration than that described in the original request.

Limitations on service substitutions

In order to be approved, a request for a service substitution must meet the following criteria:

- The substituted products and/or services must have the same functionality (see below) as the products and/or services contained in the original description of services.
- The requested service substitution must not violate any contract provisions or state or local procurement laws.
- The requested service substitution, if approved, would not result in an increase in the percentage of ineligible services or functions.

- The requested service substitution is within the scope of the FCC Form(s) 470, including any Requests for Proposal (RFPs), that formed the basis for the original funding request(s).

What does this mean? In general, a service substitution must fit into the scope of your original funding request and be consistent with that request. The original and the substituted products do not have to match exactly, item for item, but the overall substitution cannot involve a change in category of service or functionality.

- Assume that the requested service substitution was submitted as a bid response to the original FCC Form 470 and/or RFP. If the substituted products and/or services could have been considered as a valid response to that competitive bidding process, USAC can consider the request.

Note that the cost of the substituted products and/or services can be greater than the cost in the original request. However, USAC will not increase the amount of the funding commitment; the applicant must assume responsibility for any increase in cost. If the service substitution will result in a lower cost, USAC will reduce the funding request appropriately.

Determination of same functionality

The best way to determine if the substituted products and/or services have the same functionality as the originals is to review the functionality of both using the Eligible Services List. The [Eligible Services List](#) webpage has both current and archived versions of the list for each funding year. When you are preparing your request, be sure to use the Eligible Services List for the funding year that matches the funding year of the original funding request.

As an example, USAC would look at the following functional categories for its review of an Internal Connections service substitution request for FY2012 (you can see these categories in the column labeled "Function" on pages 12-17 of the [FY2012 Eligible Services List](#)):

- Cabling/Connectors
- Circuit Cards/Components
- Data Distribution
- Data Protection
- Interfaces, Gateways, Antennas
- Servers
- Software
- Storage Devices
- Telephone Components
- Video Components

Some of these functional categories are very limited; others are more extensive. If a service substitution is requested for Internal Connections, USAC would first review the request to verify that the substituted products fall into the same general functional category.

For example, these service substitution requests meet the requirement for same functionality:

- A network switch for a network router (Function: "Data Distribution")
- An Uninterruptible Power Supply for a tape backup (Function: "Data Protection")
- A telephone key system for a telephone PBX (Function: "Telephone Components")

In some cases, service substitutions may be approved even when the functional categories are not identical due to the varying ways in which technology is deployed. For example, an access point is a wireless networking component that is categorized in the Eligible Services List under the function of Data Distribution. Networking cable is categorized under the function of Cabling/Connectors. Yet, since both network cabling and wireless access points can accomplish the same function of connecting network components, USAC can approve a service substitution request to convert from one technology to the other. Thus, an exact match of functional categories, while it can assist review of service substitution requests, is not necessarily required.

However, USAC cannot approve service substitution requests unless the FCC requirements for same functionality are met. For example, a service substitution request that seeks to change a funding commitment for eligible telephone components to a funding commitment for a network router cannot be approved, because core functionality is not the same. A data distribution component is not the same functionality as a voice telephone component.

In a future SL News Brief, we will provide further guidance on service substitutions, including additional examples and deadlines.

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