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September 5, 2014

Please continue to check the [E-rate Modernization Order web page](#) for links to additional information.

TIP OF THE WEEK: Starting Monday, PIA will be reaching out for any additional information needed to complete the processing of applications that were put on hold for the summer contact period (see below). Be sure to have your program documentation (e.g., evaluation matrices, contracts, [alternative discount](#) calculation information) available so that you can respond promptly to any request.

Commitments for Funding Years 2014 and 2013

Funding Year 2014. USAC will release Funding Year (FY) 2014 Wave 18 Funding Commitment Decision Letters (FCDLs) on September 10. This wave includes commitments for approved Priority 1 (Telecommunications Services and Internet Access) requests at all discount levels. As of September 5, FY2014 commitments total over \$1.83 billion.

Funding Year 2013. USAC will release FY2013 Wave 65 FCDLs on September 12. This wave includes commitments for approved Priority 1 requests at all discount levels. As of September 5, FY2013 commitments total over \$2.11 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.

SL News Brief Starts Its Tenth Year

Welcome to the tenth year of the Schools and Libraries News Brief. We will continue to provide you with up-to-the-minute news on developments in the Schools and Libraries program along with guidance materials that will help both applicants and service providers through the application process.

We email SL News Briefs to subscribers on Fridays. If you are not receiving your own copy of the SL News Brief, we encourage you to [subscribe](#). You can view previous issues by topic or by date on the [Schools and Libraries News Brief web page](#), and print a copy of any issue you missed.

Summer Contact Procedure Ends Today

USAC has procedures to contact applicants and service providers if more information is necessary to process or review a form. We realize that, during a summer period and a winter period each year, many applicants are unavailable due to extended holiday and break schedules.

If USAC was unable to contact you during the summer deferral period, we put your form on hold and will resume our attempts to contact you starting Monday.

- Our summer deferral period is defined as the Friday before Memorial Day through the Friday after Labor Day. This year, the dates of the summer period are May 23, 2014 through September 5, 2014.

In general, there are two situations when USAC requests additional information:

- **Problem Resolution.** If USAC cannot complete data entry for a paper form because information is missing or inconsistent, Problem Resolution will attempt to reach the contact person listed on the form (or in our database, if no contact information is provided on the form) to obtain the necessary information.
- **Program Integrity Assurance (PIA) review.** If USAC needs more information from an applicant to complete the review of an application, a PIA initial reviewer will use the contact information provided on the form both to send questions and to inform the applicant of any correctable errors discovered on the form during review.

In these situations, USAC's customary procedure is as follows:

- USAC uses your preferred mode of contact to send you questions and to request responses. For PIA review, if your preferred mode of contact is telephone, we will call you and request an email address or fax number in order to provide you with our questions in writing.
- If we have not heard from you after seven days from our first attempt to contact you, we will attempt to contact you again and we will also inform your state E-rate coordinator that we are attempting to contact you.
- If we have not heard from you after 15 days from our first attempt to contact you, we will use the information we have to complete our processing. For a paper form, this may mean that we will have to return the form to you without completing data entry. For an application, this may mean that the funding you requested will be reduced or denied.

If our first attempt to reach you was on or after May 23, and we could not confirm by telephone that you were available to respond to our questions, we put your form on hold and will resume Problem Resolution or PIA review starting September 8. However, if we made a successful contact with you before May 23, your 15-day response clock started and we may have acted on the information we had on hand if we did not hear from you by the response deadline.

If you designated someone to answer questions in your absence, please review any communications between that person and USAC that occurred while you were away. Also, check to see if USAC has issued you an FCDL or if PIA questions are still pending.

If the review of your application is still in process, remember that you can ask for more time to respond if you cannot meet the customary 15-day deadline.

E-rate Modernization Order: Category One and Category Two

The Federal Communications Commission (FCC) adopted the [*E-rate Modernization Order*](#) on July 11, 2014. The Order takes major steps to modernize and streamline the E-rate program and focuses on expanding funding for Wi-Fi networks in eligible elementary and secondary schools and libraries across America.

In this and future issues, we will be providing information from the Order on topics of interest.

Category One and Category Two

Starting with FY2015, products and services eligible for E-rate discounts will be divided into Category One and Category Two instead of Priority 1 and Priority 2. Comments to the Federal Communications Commission on the proposed draft Eligible Services List (ESL) were due September 3 but reply comments may still be filed. Replies are due September 18.

Category One, according to the proposed draft ESL, consists of the services that provide broadband to eligible locations, including data links that connect multiple points, services used to connect eligible locations to the Internet, and services that provide basic conduit access to the Internet.

- The service types included in Category One are telecommunications services, telecommunications, Internet access services, and voice services – generally similar to the service types included in the former Priority 1.
- However, some of the services included in the former Priority 1 will not be eligible for FY2015.
- The highest discount level for Category One will be 90 percent; the [discount matrix](#) will not change.

Category Two consists of the internal connections equipment or services necessary to bring broadband into, and provide it throughout, schools and libraries. Connections are limited to broadband connections used for educational purposes within, between, or among instructional buildings that comprise a school campus or library branch; basic maintenance of these connections; and services that manage and operate owned or leased broadband internal connections.

- The service types included in Category Two are internal connections and managed internal broadband services, and basic maintenance of internal connections – generally similar to the service types included in the former Priority 2.
- Again, some of the services included in the former Priority 2 will not be eligible for FY2015.
- The highest discount level for Category Two services will be 85 percent. Applicants eligible for a 90 percent discount for Category One services will be eligible for an 85 percent discount for Category Two services. Other discount levels will not change.

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