

[Back](#)

November 7, 2014

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

TIP OF THE WEEK: If you missed the October 29 deadline for certifying your FY2014 FCC Form 486, file and certify the form as soon as possible. Your certification deadline was October 29 if your FCDL was dated on or before July 1, 2014 and your service start date is July 1.

Commitments for Funding Years 2014 and 2013

Funding Year 2014. USAC will release Funding Year (FY) 2014 Wave 27 Funding Commitment Decision Letters (FCDLs) on November 13. This wave includes commitments for approved Priority 1 (Telecommunications Services and Internet Access) requests at all discount levels. As of November 7, FY2014 commitments total just under \$2.07 billion.

Funding Year 2013. USAC will release FY2013 Wave 73 FCDLs on November 14. This wave includes commitments for approved Priority 1 requests at all discount levels. As of November 7, FY2013 commitments total over \$2.13 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.

E-rate Modernization Order: FAQs on Low Cost, High Speed Internet Access

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 the Order, the FCC created an exemption from its competitive bidding rules for applicants seeking E-rate support to purchase commercially available, business-class Internet access services that cost \$3,600 or less for a single year. Following is more specific guidance on this exemption in question-and-answer format.

Q1. Do I always have to post an FCC Form 470 and conduct a competitive bidding process to get E-rate funding for Internet Access?

Your Internet Access may be exempt from the FCC Form 470 posting requirement if it meets all of the following conditions:

1. It is commercially available. This means that it is publicly available to non-residential customers (such as enterprise, small business, or other government customers) in the same form and at the same rates that it is offered to schools or libraries. Therefore, it may not be purchased through a master contract signed for just certain customers, even if the contract includes schools and libraries.

2. It is low cost. This means that the total annual pre-discount cost for the service, including any one time costs such as installation, does not exceed \$3,600 per year per school or library.
3. It is high speed. This means that the service must provide bandwidth speeds of at least 100 Mbps downstream and 10 Mbps upstream.
4. It provides access to the Internet at those minimum speeds. This means that the service type on your application must be Internet Access and you receive basic conduit access to the Internet at the required minimum speeds.

Q2. Must the Internet Access meet all the criteria to qualify for funding?

Yes, you must be able to meet all of the criteria listed above to be exempt from the FCC Form 470 posting and other competitive bidding requirements.

Q3. I don't have a service provider that can offer those bandwidth speeds. Can I still use this exemption?

No. If the available commercial offerings do not meet all four criteria listed above, including the bandwidth requirements, you must post an FCC Form 470 and comply with all of the program's competitive bidding requirements before receiving E-rate support for your Internet Access.

Q4. Can I use this exemption to get support for a telecommunications broadband circuit?

No, this exemption requires that the service provides access to the Internet, and is not available for all broadband connections. Funding requests citing this exemption must be in the Internet Access service category.

Q5. What types of Internet connections can this be used for? For example, must the connection be provided over fiber or over cable?

Although this exemption allows for connections over a variety of technologies, remember that not all Internet connections are provided at the minimum broadband speeds.

Q6. I have three libraries that need Internet Access. Company A advertised in the local paper that it provides Internet Access at 100 Mbps downstream and 20 Mbps upstream for a cost of \$250 per month per location with no installation charge. Would this offering be eligible for the exemption?

Yes, it would be eligible for this exemption because it is available to the public, meets the minimum broadband speeds and the cost per library outlet is $\$250 * 12 \text{ months} = \$3,000$ per year, which is below the \$3,600 annual cap.

Q7. I have two schools that are interested in this exemption. The Internet Access cost for one school is \$3,000 per year, but the cost for the second school is \$4,000 per year. Can I average the cost for the two schools to fall below the \$3,600 per entity annual limit?

No, the pre-discount annual total cost for the service at each location must fall at or below the \$3,600 limit. Assuming that it meets all of the other criteria, you could use this exemption to purchase the Internet Access services for the first school at \$3,000 per year, but you would have to post an FCC Form 470 and conduct a competitive bidding process for the second school since it exceeds the cost limit.

Q8. I'd like to use this exemption to purchase Internet Access for my administrative office, which is a non-instructional facility. Is that allowed?

Yes, you may use this exemption for Internet Access service delivered at non-instructional facilities, such as an administrative office.

Q9. I am already receiving Internet Access for my LAN/WLAN but it is not sufficient to meet all of my needs. Can I use this exemption as a way to supplement my existing Internet Access at a particular school or library?

No. If you request Internet Access under this exemption, you cannot receive other Internet Access service for the same location as well.

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[Back](#)