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

TIP OF THE WEEK: Review the [FY2015 Eligible Services List](#) carefully before you file your FCC Form 470 (note that the order releasing the list precedes the list itself). Some services are no longer eligible, and the eligibility of other services has changed.

Commitments for Funding Year 2014

Funding Year 2014. USAC will release Funding Year (FY) 2014 Wave 37 Funding Commitment Decision Letters (FCDLs) on January 22. This wave includes commitments for approved Priority 1 (Telecommunications Services and Internet Access) requests at all discount levels. As of January 16, FY2014 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.

More Tips for the FY2015 Application Filing Window

As promised, we will continue to provide information and tips to help applicants through the online filing process for FY2015. Below are some additional tips on eligible services.

What is the difference between Internet and transport?

When completing the Category One entries for Telecommunications Services and Internet Access, applicants must choose the appropriate entry in the Purpose field – Internet, Transport, or Internet and Transport – from the dropdown menu. The following definitions will assist in choosing the correct entry:

- **Internet.** A connection from a particular building or aggregation point (such as a district's central hub or a library's main branch) to an Internet service provider. This can also be a direct Internet access connection to a single school or library not on a Wide Area Network.
- **Transport.** Dedicated data connections between eligible school or library buildings often referred to as a Wide Area Network. NOTE: This should not include your direct Internet access circuit; direct Internet connections should be listed separately as "Internet.")
- **Internet and Transport.** A bundled service providing both the connection to an Internet service provider from a particular building or aggregation point as well as the data connections between multiple school or library buildings. NOTE: Do not select this category if your invoice itemizes Internet access and Transport (Wide Area Network) separately. Instead, enter each of those services as separate line items and select either "Internet" or "Transport" as appropriate.

What does "last mile" mean?

For all Category One funding requests, the applicant is asked if each line in the request represents a "last mile" connection and must indicate "Yes" or "No." A last mile connection is defined as the connection to an individual school or library building, such as a Wide Area Network connection or a direct

Internet connection not on a Wide Area Network. Last mile should NOT include the Internet circuit to a district hub.

How should I provide entries in the Total Cost fields for funding request line items?

For funding requests for all service types, applicants must provide entries in the following fields:

- Total monthly eligible costs
- Total monthly ineligible costs
- Total one-time eligible costs
- Total one-time ineligible costs

Applicants do not enter total pre-discount cost, as they have in past funding years. The online system will calculate that amount from the information provided in the above fields.

You can enter periods to separate dollars and cents, but do not enter dollar signs ("\$\$") or commas (",").

To make the correct entries in each of these fields, proceed as follows:

- **Determine which costs are monthly and which costs are one-time.** For example, recurring charges such as local and long distance charges are monthly, and the installation of a new telephone line is a one-time charge.
- **Determine which costs are eligible and which costs are ineligible.** For example, a bill may contain charges for local and long distance services (eligible), the installation of a new telephone line to an eligible entity (eligible), and paging charges (ineligible).
- **Prepare your entries based on totals, not unit costs.** For example, if you have 20 telephone lines with monthly local and long distance charges at \$35.00 per line, you would enter "20" in Quantity or Number of Lines and "700" in Total Monthly Eligible Costs.

- Example for Voice Services:

An independent school applicant wants to add five telephone lines to 10 existing lines. Based on the existing tariffed rates, local and long distance service would be \$20.00 per line per month (both new and existing lines), paging services are charged at \$11.00 per month for all lines, and installation of the five new lines would cost \$500.00. The total telephone bill for the first month – including the one-time installation charge – is estimated at \$811.00.

The school calculates the appropriate costs for one line item in a funding request for Voice Services for local and long distance telephone charges as follows:

Total monthly eligible costs: 15 phone lines x \$20 = \$300

Total monthly ineligible costs: \$11

Total one-time eligible costs: \$500

Total one-time ineligible costs: None

The applicant would then provide the following entries in a funding request for Voice Services (the blue column represents fields that are required on the form but do not help illustrate this example):

Quantity or Number of Lines	Total monthly eligible costs	Total monthly ineligible costs	Total one-time eligible costs	Total one-time ineligible costs
15	300	11	500	0

- Example for Internal Connections:

A library applicant intends to purchase a router, two small switches of the same make and model, and 2,500 feet of cabling. The router will cost \$3,000.00, each switch will cost \$1,000.00, and the cabling will cost \$2.00 per foot.

The library provides the following entries for three line items in a funding request for Internal Connections (the blue column represents fields that are required on the form but do not help illustrate this example):

Type of Internal Connections	Type of Product	Quantity	Unit	Total monthly eligible costs	Total monthly ineligible costs	Total one-time eligible costs	Total one-time ineligible costs
Data Distribution	Router	1	Each	0	0	3000	0
Data Distribution	Switch	2	Each	0	0	2000	0
Cabling or Connectors	Cabling	25	Hundred Feet	0	0	5000	0

For the switches and the cabling, the school calculated and entered the total eligible cost for each line item (2 switches x \$1,000.00 = \$2,000.00 and 2,500 feet of cabling @ \$2.00 per foot = \$5,000.00) instead of the per-unit cost.

Under what circumstances are the costs for data plans eligible for E-rate discounts?

Data plans and air cards for mobile devices are eligible only in instances when the school or library seeking support can demonstrate that individual data plans are the most cost-effective option for delivering broadband connectivity to end user devices in schools and libraries. Funding for individual data plans or air cards for mobile devices will not be considered cost effective for schools and libraries in which end users can already access the Internet through a fixed broadband connection and wireless local area network (WLAN).

For applicants that receive data plans bundled with voice, only the voice services in the plan will remain eligible for funding in accordance with the voice service phase down of 20 percentage points each year starting with FY2015. The applicant must remove from its funding request the costs associated with all other ineligible services in a bundled plan.

There are a few locales where WLANs are impracticable or difficult to install, such as library bookmobiles. There may also be some schools or libraries where providing broadband connectivity through a fixed connection and WLAN is possible but would be more costly than purchasing mobile device data plans for all end users because the school or library location serves a very small number of students or patrons. Applicants are allowed to seek funding for individual data plans when the applicant is able to demonstrate that individual data plans are the most cost-effective option for providing internal broadband access for mobile devices. Applicants that seek funding for individual data plans must be able to demonstrate either that purchasing fixed broadband service and/or installing a WLAN is not physically

possible, or must provide a comparison of the costs to implement an individual data plan solution versus a fixed connection and WLAN solution. The cost comparison may be demonstrated through the competitive bidding process by seeking and comparing bids on all components necessary to deliver connectivity to the end user device, including fixed connectivity and WLAN costs, versus the cost of individual data plans for mobile devices.

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