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Universal Service
Administrative Co.

Schools and Libraries Program News Brief

— SPECIAL EDITION —

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Emergency Hurricane Relief for Impacted E-rate Program Participants

The Federal Communications Commission (FCC) provided emergency relief to schools and libraries impacted by Hurricanes Harvey, Irma, and Maria (Hurricanes) through two orders ([DA 17-984](#), released October 6, 2017, and [FCC 17-139](#), released October 30, 2017). The emergency relief provided includes: (1) targeted support to schools and libraries located in the most severely impacted areas to help them restore services and replace equipment damaged by the Hurricanes; (2) increased flexibility to request service substitutions; (3) support for schools incurring additional costs for eligible services because they are serving students displaced by the Hurricanes; (4) extensions of program deadlines; and (5) a limited waiver of recordkeeping requirements for records destroyed by the Hurricanes.

Below is a summary of the emergency relief provided by the Commission's orders. Please also visit the [Summary of the Orders](#) and [Frequently Asked Questions \(FAQs\)](#) for additional information.

Directly Impacted Applicants and Indirectly Impacted Schools

Directly Impacted Applicants are schools and libraries that are located in counties designated by the Federal Emergency Management Agency (FEMA) as eligible for individual disaster assistance (Directly Impacted Areas) and that certify that they have incurred substantial damage to E-rate eligible services as a result of one or more of the Hurricanes (additional certification requirements are discussed below). You can locate Directly Impacted Areas using the search tool on the [FEMA Disaster site](#). In general, FEMA's disaster declarations are issued on a county-by-county basis for each affected state.

Indirectly Impacted Schools are schools that are incurring additional costs because of increased demand for E-rate eligible services while serving students displaced by the Hurricanes. To be eligible for relief, a school's student counts must have increased by 5 percent or more due to serving students displaced by the Hurricanes, and the school must have experienced an associated increase in demand for E-rate eligible services for which they submitted an FY2017 funding request. Indirectly Impacted Schools may or may not be located in the Directly Impacted Areas.

Both Directly Impacted Applicants and Indirectly Impacted Schools must certify that they meet the requirements set forth in the order ([FCC 17-139](#)) to be eligible for this emergency relief. Both Directly Impacted Applicants and Indirectly Impacted Schools will also need to retain all documentation to demonstrate that the certification requirements were met and all documentation related to the services and funding requested through this emergency relief.

Second FY2017 Application Window

To allow Directly Impacted Applicants and Indirectly Impacted Schools to request additional targeted support, USAC will open a Second FY2017 Application Window. The window will open at noon EST on Monday, November 13, 2017, and close at 11:59 PM EST on Wednesday, December 13, 2017.

During this Second FY2017 Application Window, Directly Impacted Applicants can request funding to replace products and services needed to restore their pre-Hurricane level of functionality. Indirectly Impacted Schools can request supplemental funding to cover the additional, unanticipated costs associated with providing services to students displaced by the Hurricanes.

NOTE: Certain Directly Impacted Applicants may be unable to apply for funding during the Second FY2017 Application Window because they lack access to electricity and/or communications networks. USAC will work with the FCC's Wireline Competition Bureau to formulate a plan to address the need for additional relief measures for Directly Impacted Applicants that are unable to participate in the Second FY2017 Application Window or are unable to address their needs during the upcoming FY2018 application filing window.

FCC Form 470 and Competitive Bidding Requirements for the Second FY2017 Application Window

Directly Impacted Applicants may file an FCC Form 471 without initiating a new competitive bidding process if the applicants have: (1) already sought bids for the services or equipment by posting an FCC Form 470; (2) received a Funding Commitment Decision Letter (FCDL) approving an FY2017 request that relied on that FCC Form 470, or have such an FY2017 funding request pending; and (3) requested additional E-rate funding to purchase the same services or equipment on substantially similar terms and conditions as the contract originated by that FCC Form 470. This option applies specifically to services and equipment delivered prior to the Hurricanes and subsequently disrupted, destroyed, or damaged by the Hurricanes.

If Directly Impacted Applicants need services or equipment that were not included within a prior competitive bidding process, they will need to submit an FCC Form 470 seeking bids for the necessary services and equipment. Directly Impacted Applicants need only wait 14 days – not 28 days – before they can select a service provider and sign a contract for the requested services and equipment. Directly Impacted Applicants may submit an FCC Form 470 anytime between now and November 29, 2017 (November 29, 2017 is 14 days before December 13, 2017, the close of the Second FY2017 Application Window).

Directly Impacted Applicants filing an FCC Form 470 for the Second FY2017 Application Window should add the prefix **H2017** to the form nickname. This will identify the FCC Form 470 as being eligible for the abbreviated 14-day competitive bidding period for this Second FY2017 Application Window.

All other E-rate program requirements remain effective for the Second FY2017 Application Window. This includes, for example, the requirement that the most cost-effective service offering is selected using price of the eligible goods and services as the primary factor. Directly Impacted Applicants are also reminded that they must have the necessary resources to effectively use the services and equipment requested through the Second FY2017 Application Window and that they must pay their non-discount share of costs – this amount cannot be waived by service providers.

FCC Form 471 and Calculating Discounts

Directly Impacted Applicants and Indirectly Impacted Schools can file an FCC Form 471 to request services and equipment in the Second FY2017 Application Window as specified in the Commission's order ([FCC 17-139](#)).

All Directly Impacted Applicants are eligible for a 90 percent discount for Category One (C1) services (other than voice services) and an 85 percent discount for Category Two (C2) services.

Indirectly Impacted Schools should update the student counts in their profiles to reflect the displaced students they are serving due to the Hurricanes, and the eligibility of those students for the National School Lunch Program (NSLP), so that their discount can be accurately calculated.

As with the FCC Form 470, Directly Impacted Applicants and Indirectly Impacted Schools should add the prefix **H2017** to the FCC Form 471 nickname to identify the FCC Form 471 as being eligible for the emergency Hurricane relief.

Resetting Category Two Budgets for Directly Impacted Applicants

Directly Impacted Applicants that apply during the Second FY2017 Application Window will have their five-year Category Two budget reset and restarted in FY2017. This means that Category Two commitments received in FY2015, FY2016, or the first FY2017 windows will not be counted against these Category Two budgets.

If Directly Impacted Applicants do not apply in the Second FY2017 Application Window, the five-year budget cycle will begin, and the full budget will be available for their use, in the first year that they request E-rate discounts for Category Two services, either FY2018 or FY2019.

Increased Flexibility for Service Substitutions

Directly Impacted Applicants who received commitments or have pending FCC Form 471 applications may request service substitutions for services or products that have been disrupted, destroyed, or rendered unusable by the Hurricanes even if the substituted services and/or products do not have the same functionality as the original requested services or products. This will allow Directly Impacted Applicants to be able to request service substitutions from one category of service to another category of service. For example, a Directly Impacted Applicant may substitute Internet access service with internal connections or vice versa.

Directly Impacted Applicants will still need to ensure that the service substitution: (a) does not violate any contract provision; (b) does not violate state or local procurement rules; (c) does not result in an increase in the percentage of ineligible services or functions; and (d) is within the scope of an FCC Form 470.

Relief from Certain Administrative Deadlines and Document Retention Rules

Relief for Applicants in FEMA-designated Major Disaster Areas

Applicants in FEMA-designated major disaster areas have an additional 30 days to respond to the following:

- Pending Program Integrity Assurance (PIA) questions about their FCC Forms 471 that are in the review process.
- New Program Integrity Assurance (PIA) questions about their FCC Forms 471 that are in the review process.

- Any other pending USAC requests for information and/or documentation, for example, for invoice review or FCC Form 486 review.
- Any other new USAC requests for information and/or documentation, for example, for invoice review or FCC Form 486 review.

USAC will also confirm that applicants located in these areas are able to respond to requests before a response deadline is set. If USAC is able to successfully contact an applicant, the applicant can indicate that they are not yet able to respond. USAC will ask for an estimate of the date when the applicant believes they will be able to respond and will contact them again on or after that date.

- If an applicant is able to respond to questions, they should just respond either in EPC or directly to the reviewer. They can contact their reviewer (for PIA requests, invoice requests, etc.) if they have questions. If they do not have their reviewer's contact information, they can open a customer service case in EPC or call the Client Service Bureau (CSB) at 888-203-8100 for assistance.

Relief for Applicants in Counties that FEMA Has Designated as Eligible for Individual Assistance

Schools and libraries located in counties that FEMA has designated as eligible for individual assistance will have until March 5, 2018 to submit the following forms and requests:

- FCC Form 486.
- FCC Form 472.
- FCC Form 474 – The invoice deadline will be extended to March 5, 2018 for service providers who provide service to applicants covered by the order ([DA 17-984](#)).
- Appeals and waivers – If the 60-day deadline occurred or will occur after October 6, 2017, appellants will have until March 5, 2018 to submit an appeal or waiver to USAC or the FCC. Also, appellants who have missed a 60-day deadline due to damage or disruption caused by the Hurricanes will have until March 5, 2018 to submit an appeal or waiver. Parties who rely on this waiver as a basis for filing their request for review or waiver beyond the required deadline should indicate such basis in their filing.
- Service substitution requests.
- Service Provider Identification Number (SPIN) change requests.

Implementation deadlines for schools and libraries located in counties designated as eligible for individual assistance by FEMA will also be adjusted as follows:

- The deadline for non-recurring services, other than special construction, for FY2016 will be extended to September 30, 2018.
- The June 30, 2018 deadline to complete special construction and light the fiber for FY2017 may be extended to June 30, 2019 if the applicant files an FCC Form 500 certifying that the special construction project was unavoidably delayed due to damage caused by the Hurricanes.

Document retention requirements for schools and libraries located in counties designated by FEMA as eligible for individual assistance whose records were destroyed by the Hurricanes are modified as follows:

- Applicants and service providers will not be penalized for failure to retain records destroyed by the Hurricanes.
- Upon request from USAC or the FCC, applicants and service providers will be required to certify that the records, and any copies of such records, were destroyed by the Hurricanes. However,

applicants and service providers are responsible for obtaining such records, where available, from a third party.

- Record retention requirements under E-rate program rules continue to apply to all records that were not destroyed by the Hurricanes and for all emergency relief that is provided.

Records Retention and Audits Regarding the Emergency Hurricane Relief

Applicants and service providers must retain documentation, in accordance with program rules, for at least 10 years after the last date to receive service. This includes documentation of any certification requirements specific to the relief granted under the above orders.

All Directly Impacted Applicants and Indirectly Impacted Schools remain subject to potential audits and other reviews by USAC and the FCC and must have documentation available to verify compliance with the temporary E-rate program rules. Applicants and service providers that receive more than \$500,000 in emergency relief funding will automatically be audited by USAC to ensure the funds were used for the intended purposes.

Webinar on Emergency Hurricane Relief

USAC will host a webinar on Monday, November 13, 2017 at 3:00 PM EST that covers the emergency Hurricane relief. You can [register here](#) or from the [Trainings & Outreach](#) page on the USAC website.

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