

# August Tribal Teleconference: E-Rate 101

August 13, 2024

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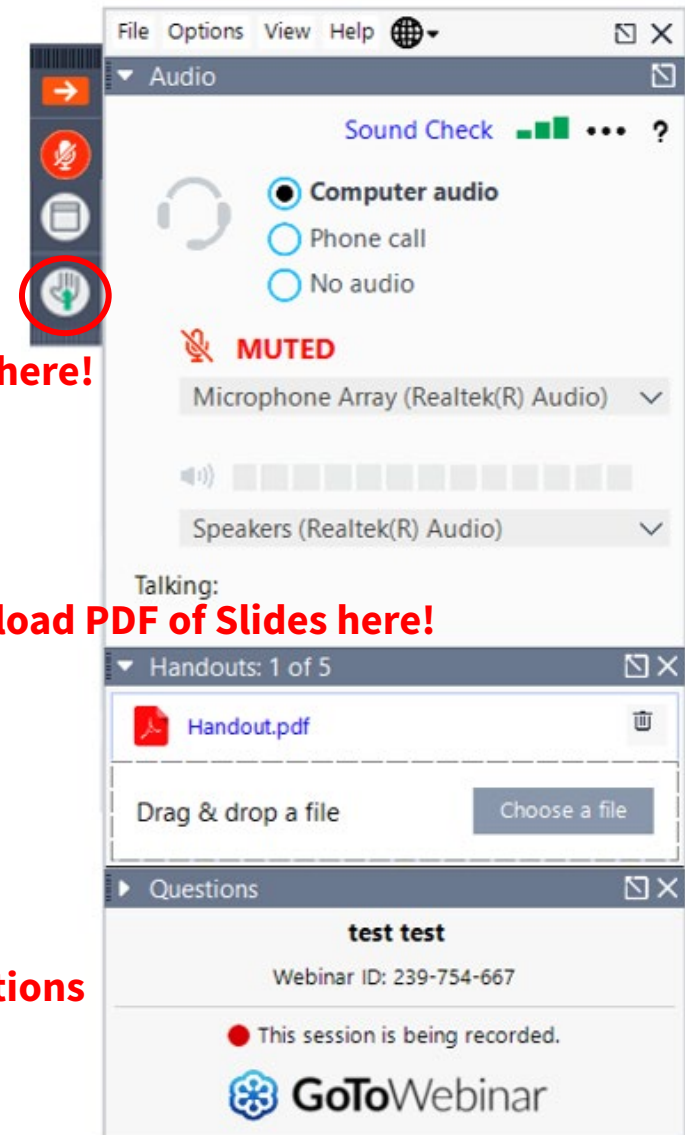
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# Meet Our Team



## Gem Shandiin Labarta

Tribal Liaison | Shared Services

[TribalLiaison@usac.org](mailto:TribalLiaison@usac.org)

- Provide clear, accurate, real-time support to Tribal stakeholders
- Identify program challenges for Tribal participants and service providers
- Enhance educational material and trainings to ensure eligible Tribal participants have the right tools



# Upcoming Webinars

- Rural Health Care
  - August 21, 2024, at 2 p.m. ET – FY2025 Request for Services – [Register](#).
- E-Rate
  - August 15, 2024, at 2 p.m. ET – Wi-Fi Hotspot Eligibility – [Register](#).
- E-Rate Cybersecurity Pilot Program
  - August 20, 2024, at 3 p.m. ET – FCC Form 484 Part 1 Overview – [Register](#).
- Lifeline
  - August 14, 2024, at 3 p.m. ET – RAD 101– [Register](#).
- Tribal Teleconferences
  - September 10, 2024, at 4 p.m. ET – RHC – [Register](#).
  - September 17, 2024, at 4 p.m. ET – Lifeline – [Register](#).

# Agenda

- What is E-Rate?
- Eligibility
- Application Process
- Cybersecurity Pilot Program
- Resources
- Appendix

# One USAC: Overview

- The Universal Service Administrative Company (USAC) is an independent, not-for-profit organization designated by the Federal Communications Commission (FCC) as the permanent administrator of the Universal Service Fund (USF) and its four programs.
  - The USF aims to ensure that all people in the United States have access to quality, affordable connectivity service.

## USAC's Four Programs



### Lifeline Program

Discounted phone and internet service to eligible low-income consumers.



### E-Rate Program

Funding for broadband services to eligible schools and libraries.



### Rural Health Care Program

Funding for telecom and broadband services for eligible rural health care providers.

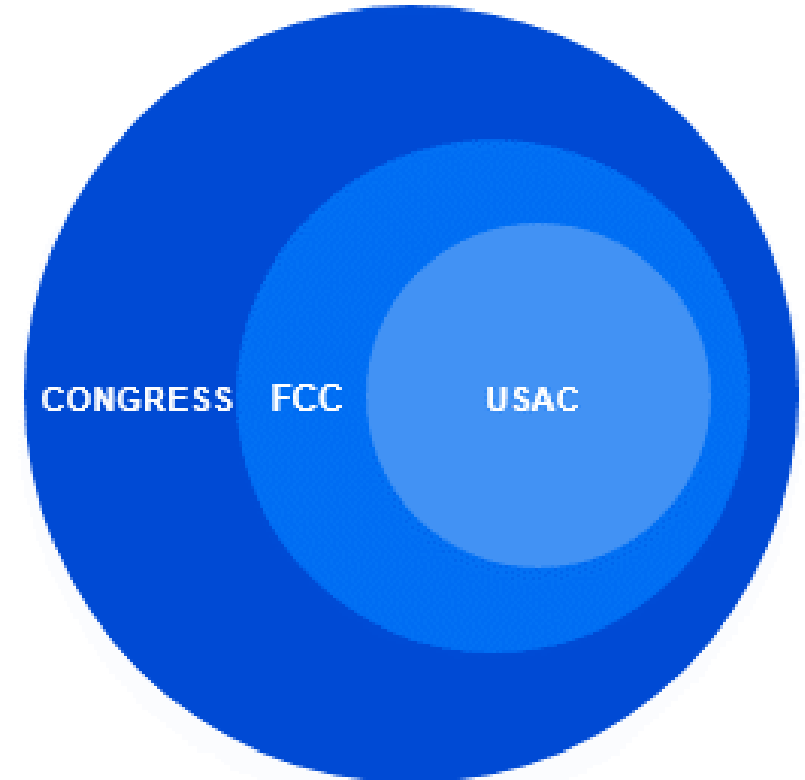


### High Cost Program

Reduced rates for telecom and broadband services in eligible high-cost areas.

# Overview: Who Makes the Rules?

- Congress enacted the Telecommunications Act of 1996, which directed the Federal Communications Commission (FCC) to establish the Lifeline program and other programs.
- The FCC sets rules and policies for the program and gives direction to the Universal Service Administrative Company (USAC).
- USAC is responsible for the day-to-day administration of the Lifeline program.





# What is E-Rate?

# What is E-Rate?

- The E-Rate program helps schools and libraries nationwide obtain affordable, high-speed broadband services and internal connections, enabling students and library patrons to access learning opportunities and services.

# Why Participate in E-Rate?

- The E-Rate Program provides eligible schools (K-12), libraries, and groups of schools and libraries with discounts of up to 90 percent on eligible internet access, data transmission services, and internal connections (e.g., Wi-Fi equipment, cabling, and basic maintenance services). These discounts are competitively bid and approved on the application (FCC Form 471).
- These discounts reduce the cost of equipment and services for the schools or libraries requesting funding through the E-Rate program.
- \$4.94B FY2024 Program Cap.

# Eligibility

# What Entities Are Eligible?

- **Libraries** – the definition of a library includes:
  - A public library
  - A public elementary school or secondary school library
  - A Tribal library (including Tribal College or University libraries)
  - An academic library

## What Entities Are Eligible? (Cont.)

- **Schools** – Elementary and secondary schools as defined by the Elementary and Secondary Education Act
  - For-profit schools are not eligible.
  - Schools with endowments of \$50 million or greater are not eligible.
  - Educational Service Agencies are eligible in some states and territories.
- **Non-Instructional Facilities** – a school building without classrooms or a library building without public area (i.e., administrative buildings, bookmobile garages, interlibrary loan facilities, library tech centers)
- **Consortia of Eligible Entities** – a consortium of eligible schools and/or libraries.



# E-Rate Program: Tribal Libraries

- In 2022, the FCC amended its E-Rate rules to include Tribal libraries in its definition of library and clarify that Tribal libraries are eligible for support.
- In 2023, the FCC further amended its E-Rate rules to make Tribal College or University libraries eligible for support.
- A library may be designated as a Tribal library by a Tribal Government (e.g., pursuant to a Tribal Resolution).
- A Tribal library may also work with the state library administrative agency where it is located.
- Tribal libraries should demonstrate three characteristics commonly associated with Institute of Museum and Library Services (IMLS) grants to Native American libraries:
  - Regularly scheduled hours
  - Staff
  - Materials available for library users

# E-Rate Program: Improving E-Rate for Tribal Applicants

**A new [Report and Order](#) adopted on July 20, 2023, amended program rules to enhance Tribal applicants' access to the E-Rate program to encourage wider program participation.**

- Granted E-Rate eligibility to Tribal higher education libraries also serving as the local public library
- Created a new competitive bidding exemption for libraries seeking Category Two services and equipment that costs \$3,600 or less per year, per library
- Increased the maximum Category Two discount rate to from 85 percent to 90 percent and the Category Two funding floor from \$25,000 to \$55,000 for Tribal libraries
- Provided guidance on cost allocation issues experienced by applicants
- Adopted a formal definition of “Tribal” for the E-Rate program
- Expanded USAC Board of Directors to add a Tribal community representative
- Increased USAC outreach and training on E-Rate and the USF programs for Tribal applicants
- Sought comments on simplification of other program rules for all E-Rate applicants

# Category 1 Eligible Services

- Category 1
  - Point-to-point data transport services such as **Fiber, Copper, Microwave, and Satellite** with the ability to securely transmit data between locations
  - **Access to internet** such as through a cable internet provider or satellite internet provider
  - **Wi-Fi hotspots and wireless internet services** that can be used off-premises
  - Eligible Services List

# Category 2 Eligible Services

- Category 2
  - Internal Connections – **Routers, switches, cabling, basic firewalls**, other equipment needed
  - Basic Maintenance of Internal Connections (BMIC) - Plan that covers the **repair and upkeep of eligible equipment**
  - **Manages Internal Broadband Services (MIBS)** - Services provided by a vendor to operate, manage, and monitor eligible internal connections (owned or leased equipment)
  - **Not eligible for funding:** End-user equipment such as laptops, computers, headsets, speakers, etc.

# What's New in E-Rate?

- School buses: now E-Rate eligible
  - Equipment and services necessary to provide mobile broadband connectivity on school buses are E-Rate eligible when used for educational purposes.
    - Installation fees and equipment needed to make the wireless service for school buses functional are also eligible under Category 1.
  - School bus Wi-Fi services are eligible for school-owned, leased or contracted school buses, if used primarily to transport students to and from school and school-related activities for educational purposes. However, charter, municipal, city buses and other school-owned vehicles (i.e., cars and vans) are not eligible.
  - Separate maintenance and operations services related to mobile broadband connectivity for school buses are also not eligible.
  - Visit [this link](#) to view FAQs about Wi-Fi on school buses.

# Wi-Fi Hotspots: Now E-Rate Eligible

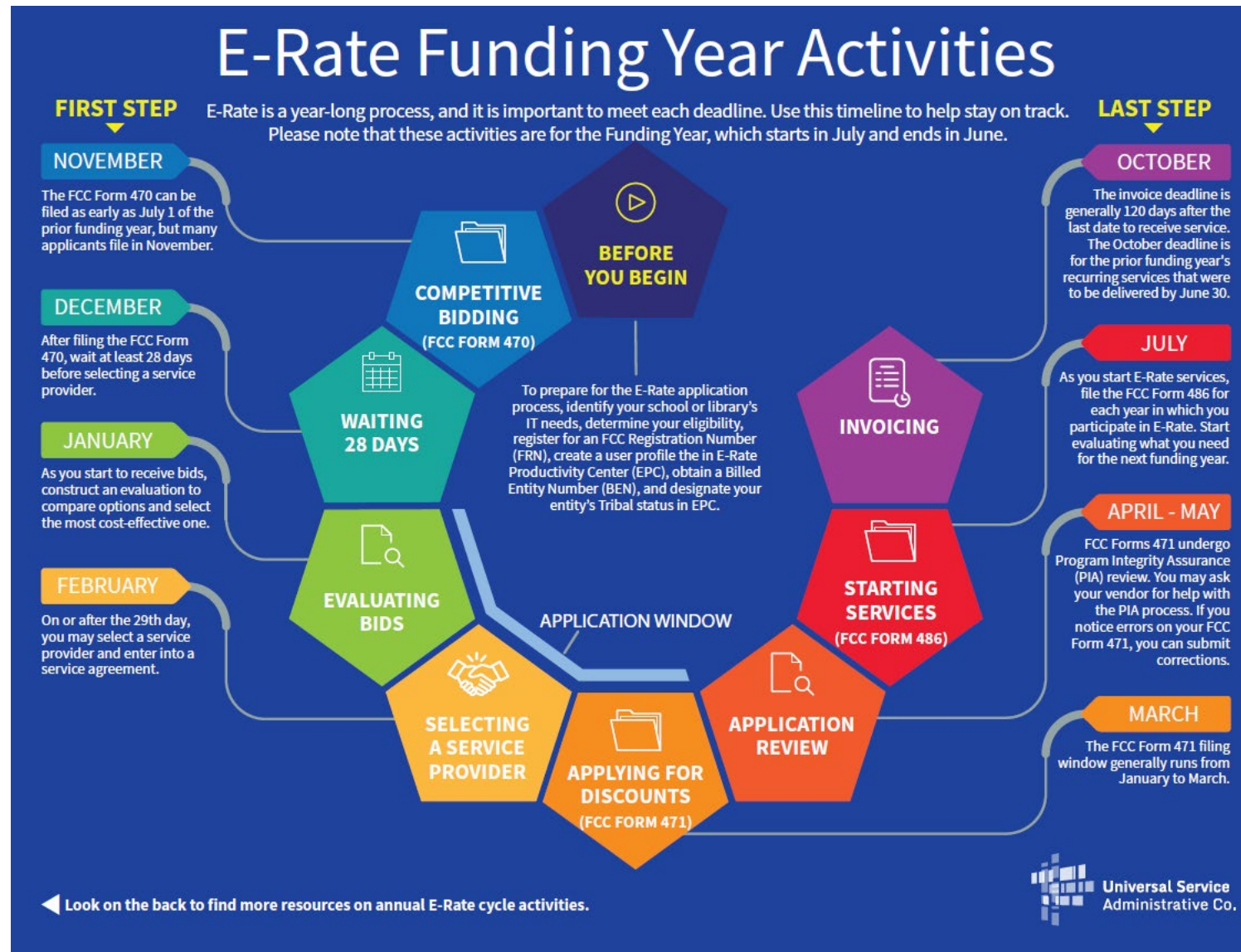
- Eligible schools and libraries can receive E-Rate support for Wi-Fi hotspots and wireless internet services that can be used off-premises by students, school staff, and library patrons.
- Eligibility is limited to commercially available mobile wireless internet services delivered through Wi-Fi hotspots.
- Wi-Fi hotspots and internet services are subject to all existing E-Rate rules and requirements, including competitive bidding, cost allocation, and discounting rules.
- Applicants who entered into multi-year agreements for Wi-Fi hotspots services in the Emergency Connectivity Fund (ECF) program are not exempt from competitive bidding requirements.
- Service provider selection must be consistent with E-Rate program rules including selecting the most cost-effective service offering(s) and using price of the eligible equipment and services as the primary factor in the evaluation matrix.



**Questions?**

# E-Rate Application Process

# E-Rate Application Process Overview



# Before You Begin: New Schools and Libraries

Follow the steps below to prepare your E-Rate program application:

1. Obtain an [FCC Registration Number](#).
2. Obtain a [Billed Entity Number \(BEN\)](#) and create a user profile in the [E-Rate Productivity Center \(EPC\)](#).
  - [Registering for a Billed Entity Number \(BEN\) Checklist for New Tribal Library E-Rate Applicants](#)
3. Designate your entity's Tribal status by [checking the Tribal box](#).
4. Determine the needs of your entity and what Categories of Service these needs fall under. Then, calculate your discount.
5. Solicit bids for eligible services and equipment by completing an [FCC Form 470](#) and wait at least [28 days](#) before selecting your service provider(s). If your purchase meets the requirements under [Commercially Available Business Internet Access](#) or the Library Category Two \$3,600 exception in the E-Rate rules, proceed to start services without completing this step.
6. Create your Contract Record and file your [FCC Form 471](#) funding application to request E-Rate support.

# Competitive Bidding (FCC Form 470) Overview

- Use [FCC Form 470](#) to start your competitive bidding process. Your FCC Form 470 notifies potential bidders of the types and quantities of equipment and/or services requested.
  - Prepare to evaluate bids.
    - Create an evaluation matrix using the price of the eligible services or equipment as the primary factor.
    - You may use other bid evaluation factors, but price must be the most heavily weighed factor.
  - Wait at least 28 days before selecting a service provider.
  - Only the applicant or its authorized representative can prepare, sign, or submit the FCC Form 470.

# Competitive Bidding Exemptions

All purchases must go through a competitive bidding process, with some exceptions:

- Multi-year contracts that have already been competitively bid through the FCC Form 470 process
- Category 1 services for commercially available business-class internet access if the following are met:
  - 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 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.
  - 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**.
  - It is **high-speed**. This means that the service must provide **bandwidth speeds of at least 100 Mbps downstream and 10 Mbps upstream**.
- Beginning in FY2024, library requests for **Category 2** equipment and services totaling \$3,600 or less annually per library are exempt from competitive bidding requirements.



# Create A Bid Evaluation Matrix

- To evaluate incoming bids, create a [bid evaluation matrix](#) or similar document.
- Develop evaluation criteria or factors to assess the bids.
  - You can have one or multiple factors.
  - You may also have disqualifying factors.
- Assign each evaluation factor a point value or percentage.
  - The price of the **eligible equipment and services** must be the most heavily weighted factor.
  - Other factors can be considered, but they must be weighted less than the price of eligible equipment and services.

# Sample Bid Evaluation Matrix

Factor	Points Available	Vendor 1	Vendor 2	Vendor 3
Price of the eligible products and services	50*	20	50	40
Prior experience with the vendor	25	25	0	25
Prices for ineligible services, products, and fees	15	10	5	15
Local or in-state vendor	10	10	0	0
<b>TOTAL</b>	100	65	55	<b>80</b>

\*This number must be higher than all the other numbers in the same column

# Applying for Discounts (FCC Form 471) Overview

- Applicants file an [FCC Form 471](#) (Description of Services Ordered and Certification Form) to request funding for eligible services and equipment for the upcoming funding year.
- Applicants must:
  - Include information on the recipients of services and service provider(s)
  - Provide detailed descriptions of services including costs and dates of service and/or the requested equipment
  - Certify compliance with program rules
- The filing window for the FCC Form 471 generally opens in **mid-January** and **closes in mid-March**.
- FY2025 Filing Window will close in **mid-March 2025**.
- You can file FCC Form 471 after you have completed your competitive bidding process (FCC Form 470), waited 28 days, selected your vendor(s), and signed contract(s) (if appropriate).

# FCC Form 471 Application Terms

- **Application Number** – A unique number that USAC assigns to each FCC Form 471. Each BEN can have one or more applications. Category 1 (C1) and Category 2 (C2) services must be on different applications. BENs applying for both categories of service will need at least two applications.
- **Funding Request Number (FRN)** - A unique number that USAC assigns to each funding request in an FCC Form 471. Each FCC Form 471 application can have one or multiple FRNs.
  - Each FRN must have all the following information in common: BEN, contact information, category of service (C1 or C2), service type (data transmission and/or internet access, internal connections, BMIC, managed internal broadband services), FCC Form 470, service provider (SPIN), contract (if you have one), dates of service, recipients of service.
- **FRN Line Item** - A unique number assigned to each Line Item within the FRN, beginning with the funding request number. For example, the first line item within FRN 2499059243 would be number 2499059243.001. Each FRN can have one or multiple line items.
  - Each FRN line item must have all the following information in common: Equipment or service, rates and quantities, recipients of service.

# FCC Form 486 - Children's Internet Protection Act

- [Children's Internet Protection Act \(CIPA\)](#): Applicants must comply to be eligible for E-Rate program discounts on Category One internet access and all Category Two services.
- School and library authorities must certify that: (1) they have complied with the requirements of CIPA; (2) they are undertaking actions, including any necessary procurement procedures, to comply with the requirements of CIPA; or (3) CIPA does not apply because they are receiving discounts for telecommunications services only.

# FCC Form 486 - Children's Internet Protection Act (Cont.)

- CIPA requirements include the following three items:
  - **Internet safety policy** – includes a technology protection measure that protects against access by adults and minors to visual depictions that are obscene, child sexual abuse material, or – with respect to use of computers with internet access by minors – harmful to minors. “Minor” is defined as any individual who is under the age of 17.
  - **Technology protection measure** - specific technology that blocks or filters internet access.
  - **Public notice and hearing or meeting** – provide reasonable public notice and hold at least one public hearing or meeting to address a proposed technology protection measure and internet safety policy. For private schools, public notice means notice to their appropriate constituent group.

**Questions?**

# **Schools & Libraries Cybersecurity Pilot Program Overview**



# Pilot Program Overview

- The FCC established the three-year **Schools & Libraries Cybersecurity Pilot Program** to provide up to \$200 million in Universal Service Fund (USF) support to participating eligible schools, libraries, and consortia of schools and libraries to defray the costs of eligible cybersecurity services and equipment.
- The Pilot Program will evaluate the effectiveness of using USF funding to support cybersecurity services and equipment to protect school and library broadband networks and data.

# Entity Eligibility

# Pilot Program Eligibility

- Schools, libraries, and consortia of schools and libraries that are eligible for support under the [E-Rate program](#) can participate in the Pilot Program.
- Prior or current E-Rate participation is not a requirement to be eligible to apply for the Pilot Program.

**Questions?**

# Resources

# E-Rate Customer Service Center (CSC)



**Call us at (888) 203-8100**

Monday – Friday, 8 a.m. to 8 p.m. ET



**Create a customer service case in the E-Rate Productivity Center (EPC):**

1. Log into the EPC
2. Select the **Contact Us** link from the upper right menu on the landing page

# Resources

- For program information, visit the [E-Rate](#) page.
- Schools and Libraries interested in applying can visit the [E-Rate Applicant Process](#) page.
- For webinars, videos, and FAQs, visit the [Learn](#) page.
- [Subscribe](#) to the Tribal and E-Rate Newsletters.
- For general USAC Tribal information, visit the [Tribal Nations webpage](#).
- Email the Tribal Liaison at [TribalLiaison@usac.org](mailto:TribalLiaison@usac.org).

**Thank You!**





**Universal Service**  
Administrative Co.

# Appendix

## Discounts

# Discounts

# Discount Examples

- A library with a 90 percent discount rate purchasing \$1,000 in eligible broadband services would pay its 10 percent non-discount share of costs (i.e., \$100). The **E-Rate program would pay the remaining 90 percent (i.e., \$900)**.
- A school located in a rural area with a 70 percent discount rate purchasing \$200 in internal connections would pay its 30 percent non-discount share of costs (i.e., \$60). The **E-Rate program would pay the remaining 70 percent (i.e., \$140)**.

The [Find Your Library Discount Guide](#) can help you look up the benefits you may receive through the E-Rate program. Visit the [Calculating Discounts page](#) for more information.

# Discount Matrix

<b>Income</b> <i>Measured by percentage of students eligible for NSLP</i>	<b>Urban Status Discount Rate</b>	<b>Rural Status Discount Rate</b>
<b>Less than 1%</b>	20%	25%
<b>1% to 19%</b>	40%	50%
<b>20% to 34%</b>	50%	60%
<b>35% to 49%</b>	60%	70%
<b>50% to 74 %</b>	80%	80%
<b>75% to 100%</b>	90% for C1, 85% for C2	
	<b>Tribal Libraries:</b> FY23 and earlier: 90% for C1, 85% for C2 <b>FY24 and later: 90% C1 and C2</b>	

- National School Lunch Program (NSLP), Category One (C1) Services, Category Two (C2) Services
- The maximum discount rate for FY2024 and later C2 equipment and services was increased by the FCC in FCC 23-56 from 85% to 90% for Tribal libraries with NSLP percentages between 75-100%

## C2 Budget Limit – Funding Floor

- If your library is 5,556 square ft or less, you **will receive \$25,000**. If your library is larger, it will be based on square footage.
  - Tribal libraries that are 12,223 square ft or less will receive \$55,000.
- A school with fewer than 150 students **will receive \$25,000**. If you have more students, it will be based on the overall student count.
- Applicants receive the funding floor when the C2 budget calculation for an entity results in a figure **below** their respective funding floor, which is less than 150 students or 5,556 square ft of library space (12,223 square ft for Tribal libraries).
- For the FY2021-FY2025 cycle:
  - The funding floor is **\$25,000 for most entities** (\$55,000 for tribal libraries).
  - The library multiplier is **\$4.50 per square foot** for all libraries.
  - The school multiplier is **\$167.00 per student**.

# Examples of Entities Eligible for the Funding Floor

- A **non-Tribal library** with **less than 5,556 square feet** ( $\$4.50/\text{square foot} * 5555 \text{ square feet} = \$24,997.50$ )
  - This library receives the funding floor: **\$25,000**
- A **Tribal library** with **less than 12,223 square feet** ( $\$4.50/\text{square foot} * 12,222 \text{ square feet} = \$54,999$ )
  - This library receives the Tribal library funding floor: **\$55,000**
- A **school** with **fewer than 150 students** ( $\$167/\text{student} * 149 \text{ students} = \$24,883$ )
  - This school receives the funding floor: **\$25,000**
- Visit the [Category Two Budgets](#) page for more information.

# Calculating Entity Discounts

- Discount for a library system:
  - Total number of students eligible for the NSLP in the ***public school district in which the main branch or main administrative office of the library is located*** divided by the total number of students in the school district = Percentage of students eligible for NSLP in school district
  - Using this percentage and the [urban or rural status](#) of the library system, find the appropriate C1 and C2 discount for the school district in the [discount matrix](#).
  - [Find Your Library Discount Guide](#)



# Calculating Entity Discounts (Cont.)

- Discount for a school district:
  - Total number of students eligible for the National School Lunch Program (NSLP) in the ***school district*** divided by the number of students in the school district = Percentage of students eligible for NSLP in school district
  - Using this percentage and the [urban or rural status](#) of the school district, find the appropriate C1 and C2 discount for the school district in the [discount matrix](#).
- Review information on [calculating your discount](#) to find out what your discount would be.
- [Entity Search Tool](#)