

# Agenda

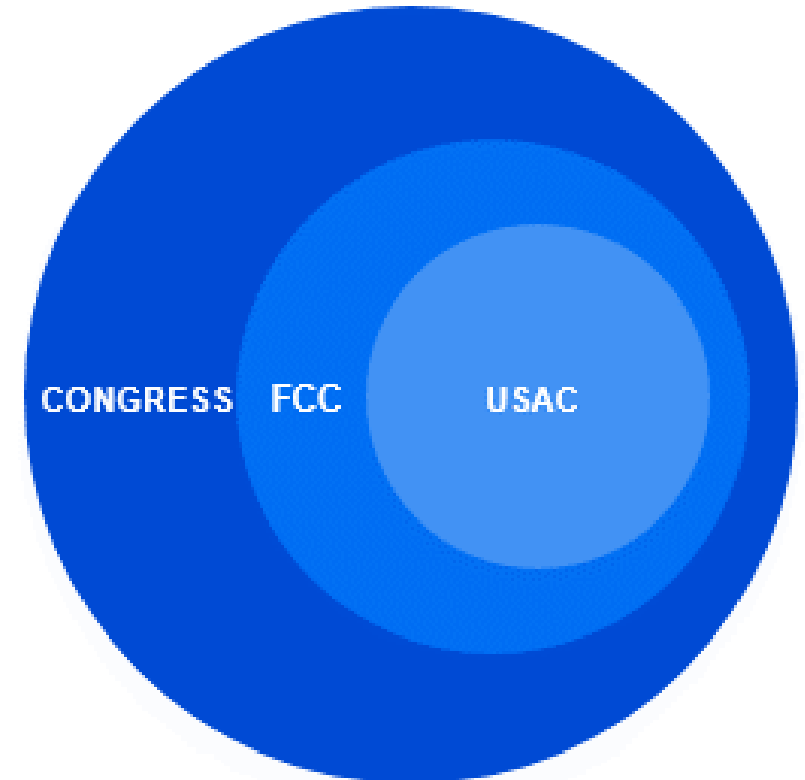
- USAC Mission Statement
- Overview
- Application Process: Applicant Steps
- Basic Concepts
- Resources
- Q&A

# Mission Statement

Help ensure that schools and libraries can obtain high-speed internet access at affordable rates, and keep students and library patrons connected to broadband by providing a discount on eligible services and equipment.

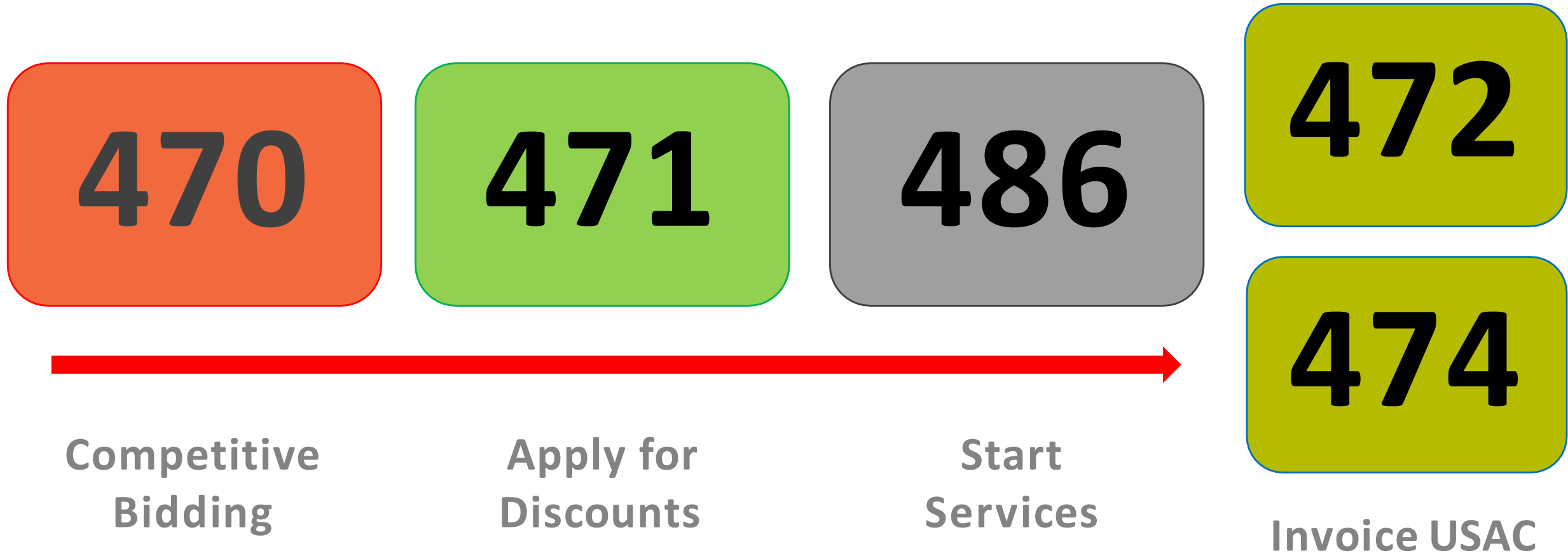
# Overview: Who Makes the Rules?

- Congress enacted the Telecommunications Act of 1996, which directed the Federal Communications Commission (FCC) to establish the E-rate 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 E-rate program.



# Application Process: Applicant Steps

# What is the Applicant Process?



# Competitive Bidding

## Description of Services Requested and Certification Form

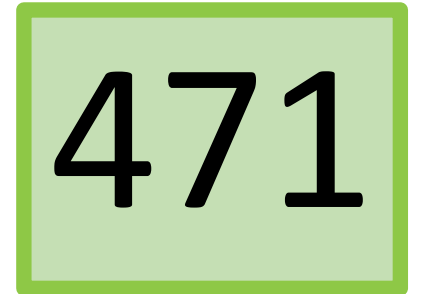
- Run an open and fair competitive bidding process.
- Wait 28 days before choosing a service provider.
- Evaluate bids using the price of the eligible services as the primary factor.



# Apply for Discounts

## Description of Services Requested and Certification Form


- Provide information about your requests (discount level, costs of services, service providers).
- Answer USAC review questions.
- Receive your Funding Commitment Decision Letter (FCDL).



# Start Services

## Receipt of Service Confirmation and Children's Internet Protection Act Certification Form (CIPA)

- Tell USAC when your services have started. Services should start before the deadline noted in your FCDL.
  - Late submission of the FCC Form 486 can impact your commitment.
- Verify your Children's Internet Protection Act (CIPA) compliance.
- Answer USAC review questions.



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# Invoice USAC

## Billed Entity Applicant Reimbursement (BEAR) Form

- Pay your customer bill (the bill from your service provider) in full and maintain documentation associated with your FCC Form 472 (BEAR Form). The Commission records retention period is 10 years.
- Bill for approved services delivered to the approved Recipient(s) of Service (ROS) at quantities and rates not to exceed what was listed on the FCC Form 471.
- Answer any USAC review questions.
- Certify and update the FCC Form 498 to provide your banking information and backup documents to the FCC for review.

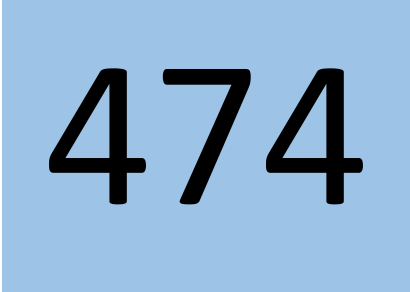


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# Invoice USAC

## Service Provider Information (SPI Form)

- Pay your non-discounted share of costs on the customer bill (the bill from your service provider).
- Your service provider will invoice USAC for the discount amount using the FCC Form 474 (SPI Form).
- Answer any USAC review questions.



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# Application Process: Service Provider Steps

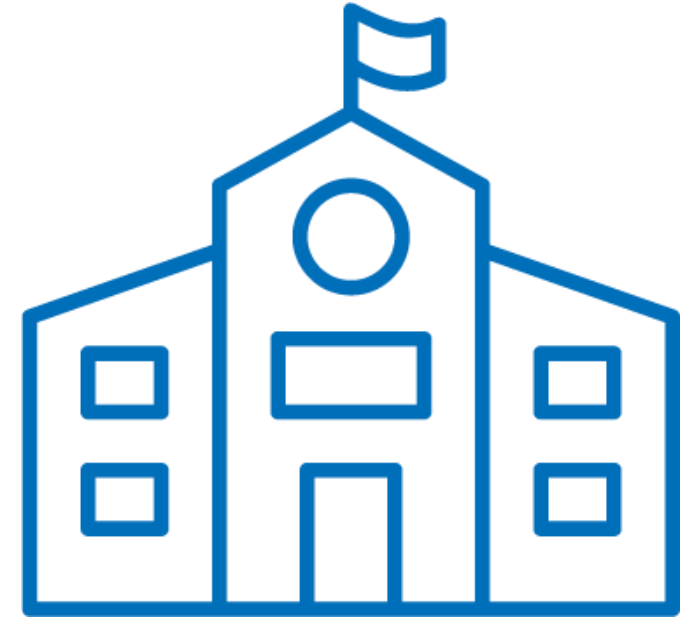
# Basic Concepts

- Eligibility – Entities, Services, Locations
- Funding Year
- Filing Window
- Identifying Numbers (BEN, SPIN, CRN)
- Discounts
- Funding Request Numbers (FRNs)

# Eligibility: Applicant Entities

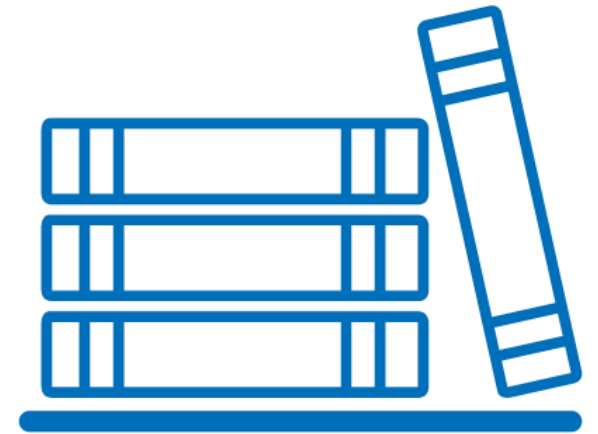
## Eligibility - School

- Must provide elementary and/or secondary education, as determined under state law.
- Cannot have an endowment exceeding \$50 million.
- Cannot operate as a for-profit business.



# Eligibility – Libraries

- Must be eligible for assistance from their state library agency under Library Services Technology Act (LSTA).
- The FCC currently has a Notice of Proposed Rulemaking (FCC 21-107) to update the definition of library in the Commission's rules to provide clarify regarding the eligibility of Tribal libraries and promote increased participation of underrepresented Tribal libraries in the E-rate program.
- Budget must be separate from any schools.
- Cannot operate as a for-profit business.



# Eligibility – Non-instructional Facilities (NIFs)

- Non-instructional facilities (NIFs) are eligible for discounts on some services.
- NIFs are:
  - School buildings that don't have classrooms.
  - Library buildings that don't have public areas.





# Eligibility - Consortia

- Schools and libraries can join together to form consortia.
- Consortia are not themselves eligible for discounts, but they can run competitive bid processes and/or apply for discounts on behalf of their members.



# Eligibility: Services

# Eligibility - Eligible Services List (ESL)

- Each year, the FCC issues a list of services and equipment that are eligible for the upcoming funding year.



# Eligibility - Services

**Category One** includes services from the service provider to the schools and/or libraries (demarcation point).

- Data Transmission
- Internet Access

# Eligibility - Services

Examples of **Category One (C1)** services:

- Leased lit or dark fiber
- Wireless services (e.g. microwave)
- Satellite service
- T-1, T-3, etc.
- DSL

# Eligibility - Services

**Category Two** includes services and equipment needed for broadband connectivity within schools and libraries.

- Three service types –
  - Internal Connections (IC)
  - Basic Maintenance of Internal Connections (BMIC)
  - Managed Internal Broadband Services (MIBS)

# Eligibility - Services

Examples of Category Two (C2) services:

- Routers and switches
- Cabling, wireless access points
- Basic maintenance of eligible internal connections (BMIC)
- Managed internal broadband services (managed Wi-Fi)

## Eligibility - Services

- **Category One (C1)** services are not capped by a budget but must be cost-effective.
- **Category Two (C2)** services are limited by a pre-discount budget
  - Budget period is five years.
  - Budget is calculated based on number of students (schools) or square footage (libraries).
  - Beginning in Funding Year 2021, the budget is calculated at the school district or library system level.



# Eligibility – Eligible Purposes

- Activities primarily for educational purposes that occur on school property.
- Activities related to providing library services to individuals that occur on library property.

\*Activities that are of campus or not school or library property are generally not considered eligible for discounts.



# Funding Year

# Funding Year

A Funding Year (FY) starts on July 1 and ends the following June 30.

- For example:
  - FY2021 starts on July 1, 2021, and ends on June 30, 2022.
  - FY2022 starts on July 1, 2022 and ends on June 30, 2023.



# Funding Year

Timing of program activities:

- Competitive bidding and applying for discounts happen before the funding year starts.



# Funding Year

Timing of program activities:

- Services generally start at the beginning of the funding year.



# Funding Year

Timing of program activities:

- Invoicing can occur during the funding year and is generally completed after the funding year ends.



# Funding Year

- **Recurring services** (e.g., monthly internet access) must be delivered during the funding year.
- **Non-recurring services** (e.g., equipment installations) can generally be installed through September 30 following the close of the funding year.
  - The September 30 deadline can sometimes be extended, either automatically or by request.
  - Delivery and installation can sometimes start before the funding year.

# Filing Window



# Filing Window

- All FCC Forms 471 are filed during a specific period of time – the FCC Form 471 application filing window.
- The filing window generally opens in mid-January and closes in mid-March in advance of the start of the funding year.
- Applications (FCC Forms 471) filed outside of the filing window are not considered for funding.

# Identifying Numbers

# Applicant Identifying Numbers- BENs

Each applicant entity is assigned an “entity number” in the system.

- Each entity that receives and pays bills is assigned a **Billed Entity Number (BEN)**.
  - For example: independent schools, school districts, independent libraries, library systems, consortia, educational service agencies.
- Schools in a school district, libraries in a library system, and NIFs also have entity numbers.

# Service Provider Identifying Numbers- SPINs

A Service Provider Identification Number (SPIN) is assigned to providers participating in the E-rate program.

- Service providers may have more than one SPIN due to:
  - Different business units or service areas.
  - Mergers and acquisitions.



# Consultant Identifying Numbers- CRNs

Each consulting firm is assigned a **Consultant Registration Number (CRN)** in the system.

- A consultant may be a single individual or a consulting firm with multiple employees.



# Discounts

# Discounts - Overview

Discounts depend on both:

- The level of poverty as defined by the percentage students who qualify for the National School Lunch Program (NSLP) in the school district.
- The urban or rural status of the school district or library system.

# Discounts - Calculations

- School districts use:
  - The percentage of students eligible for NSLP and
  - Urban/rural status.
- Library systems use:
  - The percentage of students eligible for NSLP in the school district where the main branch of the library is located and
  - Urban/rural status.
- Consortia use a simple average of their members' discounts.



# Discount Matrix

<b>Income</b> Measured by percentage of students eligible for NSLP	<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	90 for C1, 85 for C2

# Funding Request Number (FRN)

# Funding Request Number (FRN)

## Applying for discounts

- Applicants list the equipment and/or services and identify the costs for those equipment and/or services on the FCC Form 471.
- Each of these funding requests is assigned a number – an FRN.
- There can be one or multiple FRNs on an FCC Form 471.

# Funding Request Number (FRN)

- FRNs are specific to:
  - Recipient(s) of Service (ROS)
  - A category of service
  - A service type
  - An FCC Form 470
  - A service provider (SPIN)
  - A contract, if you have one
- An FRN can have one or many types of equipment and/or services, as long as the equipment and/or services have all the above in common.



# Resources

Questions?

# Client Service Bureau (CSB)



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 in to EPC.
2. Select the **Contact Us** link from the upper right menu on your landing page.

