E-Rate Central Summary
of the
E-Rate 2.0 NPRM

The following discussion of the FCC's Notice of Proposed Rulemaking for *Modernizing the E-rate Program for Schools and Libraries* (FCC 13-100), the "E-Rate 2.0 NPRM," is in large part reprinted from a series of articles first appearing in E-Rate Central's weekly newsletters.

The critical dates for the E-Rate 2.0 NPRM are:

Release Date:	July, 23, 2013
Comment Date:	September 16, 2013
Reply Comment Date:	October 16, 2013

Introduction

The scope of the E-Rate 2.0 NPRM is reflected in the following outline drawn from the NPRM's Table of Contents. It addresses three major goals and a number of separate issues

I. ENSURING AFFORDABLE ACCESS TO 21st CENTURY BROADBAND
   - A. Focusing E-rate Funds on Supporting Broadband to and within Schools and Libraries
     1. Funding for Broadband Connections
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     1. Modifying the Discount Matrix
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    1. Extending the E-rate Document Retention Requirements
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    4. Post-Commitment Compliance and Enforcement
  - E. Wireless Community Hotspots
  - F. Procedures for National Emergencies

As indicated in this outline, the breadth of E-rate issues addressed by the E-Rate 2.0 NPRM is striking. So too is the FCC's approach to these issues. Aside from the relatively few actual proposals (discussed in final section below), the NPRM is more in the nature of a notice of inquiry. It suggests many issues that need to be examined — asking 616 questions and seeking 350 comments. This may imply that after the FCC receives and digests all these comments, a second NPRM may be needed to address more specific proposals.

Ensuring Broadband Access

Background:

To a very large extent, interest in E-Rate 2.0 is being driven by two developments:

1. When E-rate was first authorized under the Telecommunications Act of 1996, less than 15% of the nation's classrooms were connected to the Internet, and the majority of the connections were at dial-up speeds. Today, essentially all schools and libraries are connected to the Internet. The question now, particularly in light of the move to online assessments, is at what speed? The President's ConnectED initiative and the SETDA (State Education Technology Directors Association) recommendations generally agree on the near-term need for speeds of 100 Mbps per school per 1,000 students, increasing to 1 Gbps by the end of the decade.

2. As schools have been moving in this direction, the demand for Priority 1 funding has been growing, now surpassing the annual E-rate funding cap. This year, for the first

time, no E-rate funding may be available for Priority 2, even at the 90% level. Financially, E-rate has hit the wall.

There appears to be only two solutions to this problem. One approach, addressed but not stressed in the NPRM, is to increase funding, either temporarily or permanently. The question, of course, is where to find that funding. The other approach — akin to the proverbial rearranging of deckchairs on the Titanic — is to redistribute funding by making less services eligible and/or reducing funding to some applicants. Either approach (or combination) benefits some applicants (and service providers) and hurts others. As discussed below, the NPRM includes a multitude of options, few of which are likely to be applauded by all.

Funding for Broadband Connections:

To funnel more E-rate funds to broadband, the NPRM discusses a number of options, including:

1. Eliminating the difference between lit and dark fiber eligibility by making special construction charges and terminating equipment for dark fiber eligible. Since the difference between lit and dark fiber is often the negligible cost of GBIC ownership, this is unlikely to be a controversial proposal.
2. Making the purchase of actual fiber or IRUs (indefeasible rights to use) eligible (as opposed to funding only fiber services). This would be a major shift away from the current policy of funding of services only in Priority 1, but could be more cost-effective in the long run.
3. Ensuring technology neutrality between fiber and radio-based broadband technologies.
4. Reconsidering the current requirement to amortize installation costs over a period of at least three years. This would make purchases more attractive, but could lead to spikes in E-rate funding demand.

Phasing Down Support for Certain Services:

The NPRM discusses a number of options for making fewer services eligible, including the elimination of:

1. Paging services. This would be a small, but relatively benign, change.
2. Certain components of voice service such as directory assistance, 800 numbers, custom calling, etc. Since these services are not too expensive and are often buried deep within many phone bills (if listed individually at all), and would have to be cost allocated out, this may be a poor funding vs. administration trade-off.
3. All basic telephone service, local and long distance, possibly including basic VoIP. A question is raised as to whether this would be possible without statutory changes.
4. Cellular text messaging, or even e-mail services. Given the importance of these services to 24x7 online learning, this option may be a non-starter.
5. Web hosting. The high cost allocation being assigned to web hosting, as a percent of online application packages, has raised questions about the desirability of making web hosting eligible at all.

6. Funding for non-instructional buildings. If the primary goal is student Internet access, funding for non-instructional buildings may be questionable, presumably unless the NIF is the NOC.
7. Certain Internal Connections equipment. One proposal would limit internal equipment to specific terminating hardware and a limited numbers of drops or wireless access points.
8. Basic maintenance. Concerns have been raised about the level of funding being requested, the complexity of the resulting application and invoice review process, and the poor utilization of awarded funding in this category.

If any of these services are made ineligible, the NPRM asks whether eligibility should be phased out or terminated at once.

Ensuring Equitable Access to Limited E-rate Funds:

This is an area of exploration which would create major funding dislocations for certain applicants. The NPRM discusses 4-6 options, namely:

1. Modifying the discount matrix. One option which has been discussed for a number of years is to reduce the maximum discount rate from 90% to 70-80%, either across the board, with lower current rates being scaled back accordingly, or for Priority 2 alone. Not only would this reduce E-rate's share of pre-discount costs, but, by increasing applicant share, it would likely reduce the pre-discount amounts as well.

   Another option, listed separately, is the possibility of either increasing or eliminating the discount matrix distinctions between rural and urban.
2. Providing support based on district-wide eligibility. The FCC proposes to calculate school district discounts based on total student eligibility rather than on a school-by-school basis. This would always give a district an even matrix discount, as is currently the case for libraries, rather than some midpoint aggregate average. For a district currently comprised of schools at different discount rates, this would eliminate Priority 2 cherry-picking requests for only the higher discount schools.
3. Setting budgets or limits. One proposal being aggressively promoted is to limit any school or library to a fixed pre-discount cost per student or patron, regardless of category of service. While simple in concept, the proposal rapidly becomes more complex when adjustments are proposed to provide greater fairness based on factors such as school size, school age or construction parameters, geographic location, needs of new schools, etc. Even greater problems are encountered when dealing with schools or libraries that obtain some services directly and other services through consortia (i.e., must a school give up some of its per student cap for the benefit of its consortium?). Given the FCC's focus on the power of consortia to lead the cost-effective expansion of broadband on a regional or statewide basis, this is a serious drawback.

   Another option discussed is the possibility of eliminating the discount matrix altogether, replacing it with a fixed applicant budget to be spent on any eligible service. Presumably, this would work as a per student cap on total E-rate funding rather than as a pre-discount cap.

4. Providing more equitable access to Internal Connections. Suggestions include:
    a. Eliminating the 2-in-5 rule (which has been totally ineffective).
    b. Establishing a rolling funding cycle which would give all applicants access to Priority 2 funding over time.
    c. Replacing the current priority systems with a "whole networks" approach.

Lowering New Build Costs and Identifying Additional Funding:

The final subsection of the broadband portion of the NPRM addresses additional funding opportunities for meeting the broadband deployment goals. It solicits comments on three basic approaches, including:

1. Public-private partnerships. The NPRM asks what "steps the Commission could take to improve the private sector business case for deploying fiber to schools and libraries, or otherwise expanding connectivity, and thereby reduce the need for E-rate funding?"
2. Coordination with other universal service programs. Specifically, because the Connect America fund involves broadband service obligations of carriers receiving high-cost support, the NPRM asks how to minimize the overlap between the two programs while extending the reach of both. Not discussed is the possibility of coordinating the low-income Lifeline program to support off-campus wired or wireless Internet access for low-income students or patrons.
3. Additional funding of proposed goals through E-rate. The NPRM raises the possibility of "refocusing or reprioritizing" funds within the Universal Service Fund as a whole. Alternatively, as mentioned above, this is the one small section that seeks comments on the need to temporarily or permanently increase funding, perhaps targeting the increase to only one category of applicants such as regional consortia.

Maximizing Cost-Effectiveness

Increasing Consortium Purchasing:

According to USAC, consortia represented about 13% of the funding in FY 2011. The FCC clearly expected a greater use of consortia, based on a seemingly reasonable belief that consortium bidding and purchasing would help hold down service costs. The NPRM, therefore, poses a number of questions about barriers to greater consortium use and about what can be done to "adopt additional incentives or mechanisms to facilitate the use of consortium purchasing."

Encouraging Other Types of Bulk Buying Opportunities:

Even if applicants don't band together to file consortium applications, the FCC would like to see greater use being made of "regional contracts managed by public, non-profit or private entities that also aggregate demand and manage the procurement process." The NPRM even seeks comment on "whether the Commission, working with USAC or some other entity, should create a bulk buying program for E-rate supported services." Such an initiative would dramatically expand the federal role in educational services procurement.

Increasing Transparency:

"Transparency," at least within the context of the FCC's NPRM, would mean publicizing bids and prices heretofore considered proprietary information — again with the goal of driving down prices. Specifically, the NPRM seeks comments on various aspects of transparency, including:

1. Transparency of E-rate spending;
2. Transparency of prices available for E-rate supported services;
3. Transparency of prices being bid for E-rate supported services; and
4. Transparency of actual purchase prices.

The NPRM also seeks comment on "whether the Commission, USAC, or other entities should take a more active role in assisting applicants in identifying cost-effective purchasing options" by identifying and publicizing "attractive prices, terms and conditions." Again, this envisions an expanded federal role.

Improving the Competitive Bidding Process:

The NPRM is seeking comments on two somewhat opposing objectives. On the one hand, it is seeking to address issues such as insufficient bidding information in Form 470s and situations in which applicants receive only one or no bids. On the other hand, the NPRM asks whether it might do away with the competitive bidding process altogether if purchases fall below some *de minimis* threshold or if applicants purchase off state master contracts.

This section also requests comments on the extent to which the Lowest Corresponding Price ("LCP") rule helps ensure cost-effective pricing, and what clarifications (if any) are needed in the LCP rule.

Broadband Planning and Use:

The FCC is seeking comments on the steps applicants should take to ensure that they are "carefully assessing their needs and readiness to use high-capacity bandwidth." Noting that technology planning requirements had been cut back to cover only Internal Connections, the FCC seems to be hinting that there may be a need to reestablish a planning requirement for broadband.

Efficient Use of Funding:

Most broadly, the NPRM asks whether the FCC "should adopt bright line tests, benchmarks or formula for determining the most cost-effective means of meeting an applicant's technology needs." Included in this issue are questions on how to determine the cost-effectiveness of multi-year contracts which might involve higher initial costs in the first year, but lower costs in subsequent years.

Innovative Approaches to Encouraging Maximum Efficiency:

In what could be deemed a "what else?" section, the NPRM asks whether it should authorize pilot programs to experiment with consortia, "establish novel bulk buying opportunities," and/or test streamlined procurement practices.

Streamlining the E-Rate Program

Electronic Filing:

The FCC proposes to require all applicants and service providers to file all forms online, and to require USAC to make all notifications electronically. Since the vast majority of forms are already filed online (with the exception of the Form 500 which does not currently have an online option), it is not clear how much would be saved by eliminating the paper form option altogether. Hopefully, if the FCC moves in this direction, improvements will be made to make online entry more user-friendly. The development of a centralized portal containing all applicant forms, correspondence, and other basic information would be an important step in this direction.

Increasing Transparency:

"Transparency," as defined in this section, refers to an earlier SECA proposal to provide additional levels of detail on application status including such additional designations as "Normal Review," "Selective Review," "Policy Review," "Investigative Review," and "Pending Program Decision on Available Internal Connection Funding." Not directly addressed in the NPRM is the need for greater transparency, as well as the development of due process relief, with respect to "black hole" situations involving long-pending funding decisions and appeals.

Speeding Funding Decisions:

The NPRM asks a number of questions concerning steps to be taken to speed up application reviews and funding decisions or disbursements. Suggestions for consideration include USAC deadlines, approvals of multi-year contracts, and additional filing windows.

Simplifying the ESL:

Proposed changes to the eligibility of specific products and services are covered in an earlier NPRM section on ensuring broadband access (see our newsletter of August 5, 2013). The FCC's focus in this section is primarily on regulatory categories of service, the identification of services requiring CIPA compliance, and the possible elimination of the Form 486 (and Form 479) by adding a CIPA certification to the Form 471.

Funding Recovery:

Under current E-rate rules, full reimbursement is required from funded applicants and/or their service providers when funds are found to have been disbursed in error. While this rule is seen as "a powerful deterrent to waste, fraud, and abuse," the NPRM questions whether full reimbursement may not be "commensurate with the violation incurred." The NPRM requests comment on "whether there are certain program violations that warrant reduced recovery or some other punitive measure short of recovery."

Unused Funding:

Since E-rate is a discount program, not a grant program, a portion of awarded funding typically goes unused. Although such unused funds ultimately get rolled over into subsequent funding years, the FCC — and some program critics — remain concerned with the level of unused funds. The NPRM seeks comments on several suggestions for reducing the level of unused funds, or at least identifying such unused funds earlier.

Invoicing and Disbursements:

The most significant invoicing change proposed — one long requested by applicants — would permit BEAR reimbursement payments to be made directly to applicants, rather than being funneled through the service providers as is currently the case. The NPRM also addresses potential changes to the invoicing forms and deadlines.

Streamlining Appeals:

The FCC is clearly concerned about the number of appeals at both the USAC and FCC level, driven in part by the ability of applicants to appeal at both levels "to avoid a negative decision." The NPRM notes that "During the last three years, the Commission has made a concerted effort to reduce the backlog of E-rate appeals and has issued orders addressing more than 1,200 appeals. However, a backlog remains, including requests that have been pending for years, and we continue to receive many new appeals every month." While identifying the problem, the NPRM stops short of proposing concrete solutions, instead encouraging "commenters to suggest creative methods to improve the efficiency of the process while providing parties and other interested stakeholders with meaningful guidance about the decision."

E-Rate 2.0 – Other Issues

CIPA Issues:

Without suggesting any specific proposals, the NPRM requests comments on the following questions:

1. For CIPA purposes, what constitutes the definition of a "computer with Internet access?"

2. How does CIPA apply to non-applicant owned devices used on-premise over E-rate supported networks?
3. Conversely, how does CIPA apply to applicant owned devices used off-premise?

The second question (plus footnote #364) seems to imply that CIPA does not apply to situations wherein students bring their own devices on-campus, but access the Internet through their own cellular services, not via the schools' Internet networks. An argument can be made, however, that schools still have some responsibilities in these situations as a result of CIPA's student monitoring and educational requirements.

Rural Designations:

The FCC is proposing to "modernize" the definition of "rural area" to encompass additional schools and libraries currently located within outdated, Goldsmith Modification urban designated areas. In lieu of Goldsmith, the FCC proposes using the U.S. Department of Education's NCES "urban-centric locale code." This approach, however, would require procedures to handle schools not yet assigned NCES codes and libraries. As an alternative, the FCC is considering using the census definitions of rural areas.

NSLP and CEO Issues:

The primary issue being addressed in this section of the NPRM is the growing use of the USDA's Community Eligibility Option ("CEO") to determine free meal reimbursement rates. This process is currently being trialed in a limited number of states, but is scheduled to be available nationwide by the 2014-2015 school year. Under CEO, meal reimbursement is determined by the percentage of students identified as eligible via direct certification, multiplied by a factor (currently 1.6x). CEO schools do not collect NSLP applications. For E-rate purposes, existing CEO schools are instructed to use historical eligibility percentages based on last reported NSLP data — a temporary fix at best (see our newsletter of August 6, 2012). The NPRM asks for suggestions on how to handle CEO schools for discount rate purposes, or for the use of other proxies for measuring poverty levels for all schools.

Waste, Fraud, and Abuse:

The NPRM includes a general request for ways to identify and pursue instances of waste, fraud, and abuse, but includes more detailed discussions on the following possible regulatory changes:

1. Extend the E-rate document retention period from five to ten years. Since the retention period is measured from the last date to receive services, this would effectively require documents to be kept for twelve or more years. As this is well in excess of many state-level requirements for record retention, such an extended rule may make compliance administratively difficult.
2. Fully document the competitive bidding process. The FCC asks whether it should require, as it has done for HealthCare Connect Fund applicants, E-rate applicants to routinely submit copies of all bids received, bid evaluation documents, vendor correspondence, board minutes, etc. To the FCC's credit, it explicitly recognizes that such a process would be burdensome to both applicants and Fund administrators.

3. Strengthen the form certification process by: (a) requiring both applicant and service provider forms to be signed by senior officers; (b) codifying existing certifications; and (c) adding new certifications on Lowest Corresponding Price ("LCP") and competitive bidding procedures.
4. Implement stronger post-commitment compliance and enforcement procedures such as: (a) requiring third-party independent audits of the larger applicants and service providers; and/or (b) strengthen suspension and debarment terms.

Wireless Community Hotspots:

One major development in educational technology not directly addressed in the E-rate 2.0 NPRM, or even in the President's ConnectEd initiative, is the trend towards 24x7 learning (including digital textbooks) requiring off-campus Internet access. In large part, this reflects a practical understanding that E-rate cannot afford to fund full wireless or home Internet services. Perhaps designed as a compromise approach, the NPRM asks for comments on expanding community access to on-campus school Internet facilities to include off-campus access to school-operated and E-rate supported community WiFi hotspots.

National Emergency Procedures:

After Hurricane Katrina in 2005, and in subsequent disaster situations, the FCC has provided relief from certain E-rate rules, largely on an *ad hoc* basis. The FCC proposes to incorporate disaster relief mechanisms directly into its rules to provide relief in the event of an "Emergency" or "Major Disaster," as defined by FEMA, causing "severe structural damage and displaced student and patron populations…" The NPRM seeks comments on the types of relief to be provided such as:

- Filing deadline extensions
- Relief from document retention rules for destroyed records
- Special filing windows
- Exemption from certain Form 470 filing and competitive bidding requirements
- Relaxation of service substitution rules
- Ability to "restart the clock" on the two-in-five rule

FCC Priorities and Specific Proposals

As indicated at the outset, one striking aspect of the E-Rate 2.0 NPRM is that it poses far more questions about changes that should or could be made to the E-rate program than it does in seeking comments on specific proposals.
One hint of the FCC's initial priorities can be divined from the Fact Sheet provided just before the NPRM was formally released. The Fact Sheet outline provided tracks with the NPRM's Table of Contents but, as shown below, may more clearly highlight the FCC's key goals and NPRM provisions.

- Increased Broadband Capacity: To ensure schools and libraries have affordable access to 21st century broadband, the notice of proposed rulemaking seeks comment on a range of approaches to focus funds on high-capacity broadband, including:
    - Simplifying rules on fiber deployment to lower barriers to new construction
    - Prioritizing funding for new fiber deployments that will drive higher speeds and long-term efficiency
    - Phasing out support for services like paging and directory assistance
    - Ensuring that schools and libraries can access funding for modern high-speed Wi-Fi networks in classrooms and library buildings
    - Allocating funding on a simplified, per-student basis

- Cost-Effective Purchasing: To maximize the cost-effectiveness of E-rate purchases, the proposal seeks comment on:
    - Increasing consortium purchasing to drive down prices
    - Creating other bulk buying opportunities and increasing pricing transparency
    - Increasing transparency on how E-rate dollars are spent
    - Improving the competitive bidding process
    - Creating a pilot program to incentivize and test more cost-effective purchasing practices

- Streamlined Program Administration: To streamline the administration of the E-rate program, the proposal seeks comment on:
    - Speeding review of E-rate applications
    - Providing a streamlined electronic filing system and requiring electronic filing of all documents
    - Increasing the transparency of USAC's processes
    - Simplifying the eligible services list and adopting more efficient ways to disburse E-rate funds
    - Streamlining the E-rate appeals process

- Outstanding Issues: The proposal also seeks comment on a variety of other issues, including:
    - The applicability of the Children's Internet Protection Act (CIPA) to devices brought into schools and libraries, and to devices provided by schools and libraries for at-home use
    - Adjusting to changes in the National School Lunch Program that affect E-rate
    - Additional measures for protecting the program from waste, fraud and abuse
    - Wireless community hotspots

More specifically, it is important to focus on the those provisions of the E-Rate 2.0 NPRM explicitly labeled as proposals in contrast to the much broader list of issues and questions raised. Absent strong arguments to the contrary, these proposals are most likely to be embodied in the first E-Rate 2.0 Order the FCC will release. For easy of reference, the following proposals are identified by the relevant NPRM paragraph numbers.

Eligible Services:

Para. 90-91: The FCC proposes "to phase out support for a number of specific services, including outdated services currently on the ESL, for components of voice service," and seeks comments on the phasing out of other services "not used primarily for educational purposes."

This is the one proposal which could begin as early as FY 2014. The services targeted to be phased out include paging, wireless text messaging, and the following voice services:

- Directory assistance
- Custom calling features
- Inside wiring maintenance plans
- Call blocking
- 800 number services

Para. 248: The FCC proposes "to simplify the ESL and the FCC Form 471 application process by adopting a definition of eligible services that provides funding for eligible services regardless of regulatory classification." Specifically, it proposes "to amend section 54.502 and the ESL to remove the regulatory classifications of telecommunications services and Internet access to allow applicants to seek eligible services from any entity." Presumably, this would mean that all Telecommunications services, not just fiber optics, could be offered by any type of service provider, not just by eligible carriers (i.e., Form 499 filers).

Para. 71: The FCC proposes to make its "treatment of lit and dark fiber more consistent" by providing Priority 1 support for modulating electronics (e.g. GBICs) and for special construction charges for dark fiber (as it now does for lit fiber).

Funds Distribution:

Para. 116: Most broadly, the FCC is seeking comment on "six options for revising the structure for distributing funds under the E-rate program by: (1) revising the discount matrix to increase certain applicants' matching requirements; (2) providing support on a district-wide basis; (3) revising our approach to supporting rural schools and libraries; (4) incorporating a per-student or per-building cap on funding into the discount matrix; (5) providing more equitable access to priority two funding; and (6) allocating funds to all eligible schools and libraries up front." But within those options, the FCC makes the following concrete proposals:

- Para. 123: For any changes it makes to applicant discounts, the FCC proposes "to phase in such changes over some period of time, such as three years."
- Para. 129: The FCC proposes to change the way school district discount rates are calculated so as to use a single discount rate percentage for the entire district based on total student NSLP eligibility. *"This single discount percentage rate shall then be applied to the discount matrix to set a discount rate for the supported services purchased by all schools within the school district."* In other words, a district would have a "matrix" discount (e.g., 20%, 25%, 40%...90%) rather than some intermediate aggregate discount (e.g., 67%). Note that this would be consistent with the way a library calculates its discount based on total district NSLP data.
- Para. 130 and 276: The FCC proposes "to change our definition of "rural" for purposes of the E-rate program to ensure greater funding to truly rural areas by using the U.S. Department of Education's NCES definitions."

Increased Transparency:

Para. 191: The FCC proposes "to increase the transparency of E-rate spending and…the prices E-rate applicants pay for service." More specifically, it plans to provide "options for informing schools and libraries about the prices at which service providers are willing to offer for E-rate supported services." This proposal would appear to raise all sorts of red flags about vendor proprietary data and the real role of USAC in the competitive bidding process. We suspect that this is one "proposal" that will be subject to considerable debate.

Streamlining Program Administration:

Para. 226: The FCC proposes "several options for streamlining the administration of the E-rate program while preserving critical safeguards. These options include: moving to electronic filing of all FCC forms and correspondence with USAC; increasing transparency throughout the application process; speeding review of applications and issuance of commitment decisions; simplifying the eligible services list (ESL) to focus on the service provided rather than the regulatory classification of the service; recovery considerations when seeking reimbursement of previously disbursed E-rate funding; more effective disbursement of unused funds; improve invoicing and disbursement; and streamlining the E-rate appeals review process."

Para. 229-230: After first referencing a previous SECA proposal that "all of an applicant's forms and correspondence with USAC should be available from a centralized portal," the FCC directs — not merely proposes — "USAC to incorporate into its consideration this proposal as it adopts measures to improve operational efficiencies."

Multi-Year Contracts:

Para. 241: The FCC proposes, "absent a change in the contract, service provider or recipients of service," to "allow E-rate applicants with multi-year contracts that are no more than three years in length (including any voluntary extensions) to file a single FCC Form 471 application for the funding year in which the contract commences and go through the full review process just one time for each such multi-year contract." Comments were sought "on what additional steps E-rate applicants should have to take in the second and third year of such contracts to confirm their request for E-rate support for the subsequent years."

Invoicing and Disbursement Process:

Para. 259: Finally, after many years of consideration, the FCC proposes "to modify our process to permit schools and libraries to receive disbursements directly from USAC." If adopted, BEAR payments could be made to the applicants rather than having to be forwarded through the service providers. The proposal also adopts "specific invoice deadline and invoice deadline extension rules."

Document Retention:

Para. 295: The FCC proposes "to extend the E-rate program document retention requirements from five to at least ten years." Note that since the current five year requirement is based on the last date to receive service, and many documents subject to retention are created two years or more before that date, this change would require documents to be kept for twelve years or more.

Form Signatures and Certifications:

Para. 300: The FCC proposes "to require that an officer of the service provider sign certain forms submitted to USAC in support of an application for eligible services and any requests for payment," "to codify the current certifications," and "require service providers to certify their compliance with the lowest corresponding price rule and with state and local procurement laws." Note that the LCP certification was originally included in the draft revision of this year's Form 473, but was removed from the version as finally approved.

Para. 306: Similarly, the FCC proposes to "require all E-rate forms submitted by E-rate applicants be signed by someone with authority equivalent to that of a corporate officer." Such a provision would presumably prevent consultants from signing applicant forms on behalf of their clients.

National Emergency Procedures:

Para. 324-328: The FCC proposes "to adopt rules requiring USAC to follow specific procedures in the aftermath of a natural disaster or other emergency in order to ensure that USAC can efficiently assist affected schools and libraries in obtaining immediate relief."
