

Schools and Libraries

NEWS BRIEF

November 1, 2013

TIP OF THE WEEK: The invoice deadline for FY2012 recurring services has been extended to October 28, 2014. You therefore do not need to file an invoice deadline extension request before you can submit an invoice for FY2012 services, but we strongly encourage you to complete your invoicing process for FY2012 as soon as possible.

Commitments for Funding Years 2013 and 2012

Funding Year 2013. USAC will release Funding Year (FY) 2013 Wave 25 Funding Commitment Decision Letters (FCDLs) November 6. This wave includes commitments for approved Priority 1 (Telecommunications Services and Internet Access) requests at all discount levels. As of November 1, FY2013 commitments total over \$1.23 billion and encompass 27,869 of FY2013 applications.

Funding Year 2012. USAC will release FY2012 Wave 67 FCDLs November 7. This wave includes commitments for approved Priority 2 (Internal Connections and Basic Maintenance) requests at 90 percent and denials at 89 percent and below. As of November 1, FY2012 commitments total over \$2.80 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 on Service Substitutions

A [service substitution](#) is a change in the products and/or services originally specified in the Item 21 attachment for the FCC Form 471. In [last week's SL News Brief](#), we covered basic information on service substitutions. Below are additional examples of service substitution requests and guidance on discontinued products and deadlines.

Additional examples of allowable and unallowable service substitutions

- An applicant wants to change from PBX (voice) equipment to CODEC (video) equipment. USAC would not approve this service substitution request because voice and video components are of different functionalities.
- An applicant wants to change from local and long distance telephone service in Telecommunications Services to email accounts in Internet Access. Such a request would be denied because the services are not functionally equivalent and the substitution would involve a change in category of service.
- A service provider has discontinued manufacturing Router X and now manufactures only Router Y. Router Y is better and faster than Router X but provides essentially the same functionality. Assuming there are no other differences, USAC can approve a service substitution of Router Y for Router X on an applicant by applicant basis OR – if the manufacturer of the router submits the change to USAC directly – this can be processed as a "global" service substitution (see below).
- An applicant wants to switch from an expensive router to a less expensive switch. USAC will approve this service substitution request because the functionality of the equipment remains the same. USAC will remove the dollars associated with the difference in the price of the two pieces of equipment from the commitment. The applicant does NOT need to file an FCC Form 500; USAC will calculate and implement the reduction to the funding request.
- An applicant realizes that the installed equipment was not Server A, the requested server on the

Item 21, but in fact Server B. An applicant submits this change as a "corrective" service substitution (see below). Assuming that these are the same functionality with no significant differences, USAC will be able to approve this request.

Discontinued products (global service substitutions)

Manufacturers and service providers may submit notification to USAC that a product or service is being discontinued, is changing model numbers, or is being replaced. USAC refers to these requests as "global" service substitutions.

Global service substitution requests must indicate that the new products or services are functionally equivalent to the products or services being replaced and have no increase in percentage of ineligible features. Global service substitutions are only applicable when the product or service originally specified on the FCC Form 471 is no longer available or is no longer being provided by the manufacturer or service provider making the request.

USAC maintains a list of substitute products and/or services to speed the processing of invoices that specify the replacement product or service. Such service substitutions will not result in a change to an applicant's funding commitment.

Service providers should submit model changes as early as possible to avoid delays in the processing of invoices. USAC will respond in writing to the service substitution request and may ask for additional information before processing the request.

Because a service substitution request initiated by a service provider does not reference any specific funding request, USAC will not modify individual applicant funding commitments nor extend the service delivery deadline.

Deadlines for requesting service substitutions

In general, a service substitution request must be received or postmarked by the last day to receive service for the corresponding FRN. The last day to receive service is:

- June 30 of the relevant Funding Year for recurring services or
- September 30 following the close of the Funding Year for non-recurring services. Remember, however, that the deadline for delivery and installation of non-recurring services can be extended (see [Service Delivery](#) for more information).

Several other program deadlines may affect service substitution requests:

- Service substitution requests can be submitted after USAC issues the Form 471 Receipt Acknowledgment Letter but before the last day to receive service on the associated funding request. If the service substitution request is received before the review of the application is complete, the request will be incorporated into the review process.
- Applicants are still required to comply with the deadline for filing the FCC Form 486. You can use the FCC Form 486 tab on the [Deadlines tool](#) to calculate this deadline.

Additional guidance

Here are some specific suggestions to assist USAC in processing your service substitution request more efficiently:

1. Make sure you include the name and contact information for the person who can discuss the service substitution request. USAC often has questions about requests or needs additional information.
2. In general, you - the applicant - must make the certifications about your request. Copy the certification language for the certifications from the [service substitution](#) website guidance as part of your request. Service providers cannot sign the certifications on your behalf.
3. Always include the following information: type of service or make and model of equipment, quantity, cost per unit, total cost of the service or equipment, and the total cost of the From (original) and To (substituted) portions.
 - List only the equipment for which you are requesting a substitution. You do not need to list all items that were approved as part of the Item 21 attachment.
4. Do not submit a single From and To list for multiple FRNs. Provide individual From and To lists for each FRN.
5. Provide itemized From and To dollar amounts for the changing equipment. Also, provide the total

- original and revised costs of these changes.
6. If any ineligibles were found during PIA review, you do not need to list them in your service substitution request. Also, if there are any ineligible charges, be sure to subtract those charges from the total cost.
 7. If you are correcting information about products and/or services for which USAC has already processed and paid an invoice, mark your request "Corrective" so that we understand your intent.
 8. If service providers submit a global service substitution, approval of this request does not automatically grant an extension of time to deliver and install the product or service. Also, such requests cannot be applicant-specific but must apply across the board. The more detail you provide – such as manufacturer product codes (rather than codes used by resellers, vendors, or applicants), make, model, and cost per line item – the better.
 9. If possible, send detailed information either electronically or on paper. This is especially important when identifying the individual entries for original and substituted products and services. Faxes can be difficult to read.
 10. Review the [Eligible Services List](#) for the funding year that applies to the original funding request to verify eligibility.
 11. Include the same level of detail on the substituted products and/or services that you provided on the original Item 21 attachment.
 12. Provide a Letter of Agency if you are a consultant submitting the request on behalf of an applicant.
 13. If the substituted product or service has a lower cost than the original, do not file an FCC Form 500. USAC will adjust the dollars associated with the FRN as part of the service substitution review process.
 14. Submit one copy of your request using only one mode of transmission (email, fax, or mail). If you submit multiple copies (for example, fax a copy and then mail the original), the processing of your request will be delayed.
 15. If USAC's review of your service substitution request results in the identification of ineligible products or services that were erroneously approved, your original funding commitment will be adjusted to remove the ineligible products and services and their related charges. Ineligible products or services cannot be substituted for eligible products.

Again, for detailed instructions, information, and additional examples, refer to the [service substitution](#) guidance on the USAC website.

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