E-Rate
Central

E-Rate in FY 2015 and Beyond
Under the E-Rate Modernization Order

Fall E-Rate Training — 2014

Presented by E-Rate Central
www.e-ratecentral.com

- Introduction to the E-rate modernization Order

- Basic E-rate application and invoicing cycle

- Eligible Services List for FY 2015

- Category 2 budgets

- Discount rate issues

- Procurement and contract issues

- New online Form 471

- Other "simplification" changes

- Other procedural changes

- Pending FCC orders for FY 2015 and/or FY 2016

- Q & A

Overview of Order

- Refocus E-rate on broadband to the classroom

    - Set broadband goals for schools and libraries

    - Target "predictable" funding for internal Wi-Fi connections

    - Fund Wi-Fi by eliminating or phasing out support for Priority 1 "legacy" services

- Update rules on competitive bidding, contracts, discount rates, electronic filing, technology plans, and more

- No increase in E-rate funding — for now

Performance Goals

- Affordable access to ConnectEd broadband goals

  - Schools: Internet at 100 Mbps per 1,000 students short-term and 1 Gbps per 1,000 students long-term

  - Libraries: Internet at 100 Mbps for populations under 50,000 and 1 Gbps for larger populations

  - WAN connectivity "scalable" to 10 Gbps

- Maximum cost-effectiveness of purchases

- Fast, simple, and efficient E-rate process

Distribution of Funding

- No increase in funding – remains at 2.4^+$ billion per year with ongoing inflation adjustments

- $1 billion explicitly targeted for internal connection services for both FY 2015 and FY 2016, with plans to provide the same $1 billion in future years

- Funding for telecom/Internet services will remain available for all discount levels

APPLICANT FILES FCC FORM 470

AFTER 28 DAYS, APPLICANT SELECTS SERVICE PROVIDER AND NEGOTIATES A CONTRACT, IF NECESSARY

APPLICANT FILES FCC FORM 471

USAC REVIEWS REQUEST AND ISSUES FUNDING COMMITMENT DECISION LETTERS (FCDLs) TO THE APPLICANT AND SERVICE PROVIDERS

APPLICANT FILES FCC FORM 486

USAC REIMBURSES THE SERVICE PROVIDER FOR THE DISCOUNT PORTION

Basic E-Rate Cycle

1. File Form 470 (quasi-RFP)

2. Wait 28 days (vendor selection period)

3. File Form 471 (application)

4. PIA review and FCDL

5. File Form 486 (confirmation)

6. Submit invoices to USAC (BEAR or SPI)
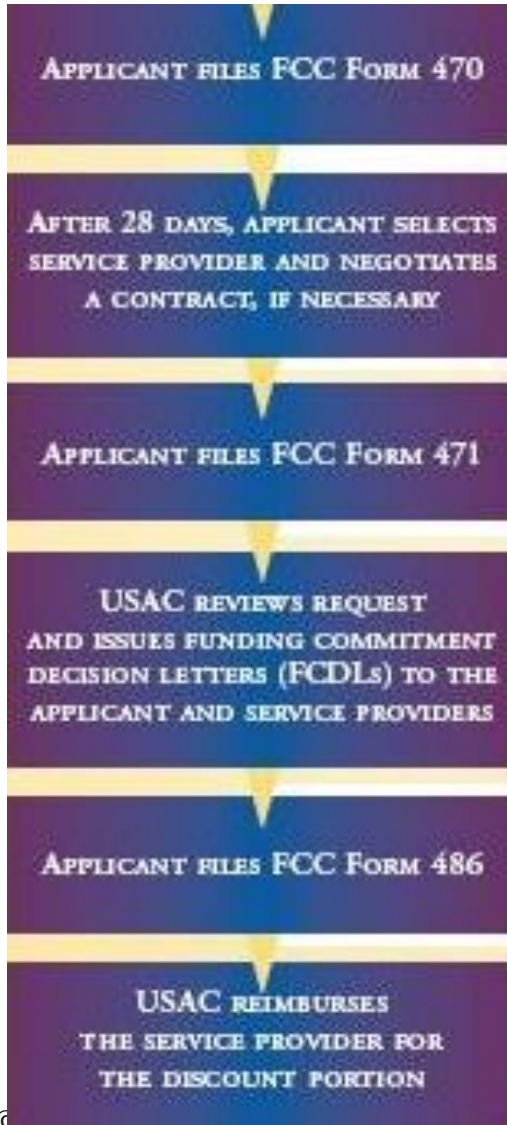
Eligible Services List for FY 2015

New Category Designations

- Old "Priority 1" and "Priority 2" designations dropped; new nomenclature will be:

    - **Category 1:** Services that enable Broadband connectivity ***to*** the school/library

    - **Category 2:** Services that enable Broadband connectivity ***within*** the school/library

- Targeted funding to be available for both C1 and C2

Eliminate, Phase-Out, or Narrowly Define Support for "Legacy" Services

Category 1

Ineligible Category 1 Services for FY 2015

- Paging, email, text messaging, voice mail, and web hosting

- Telephone service components - directory assistance charges, custom calling services, direct inward dialing, 900/976 call blocking, and inside wire maintenance plans

- Multi-year contracts will <u>not</u> be "grandfathered" for newly ineligible services

Voice Service Phase-Out

- Applies to **all** voice services: Local phone service, long distance service, plain old telephone service (POTS), 800 service, satellite telephone, shared telephone service, Centrex, cellular voice, and interconnected VoIP

- Phase out schedule: 20 percentage points will be deducted from the eligible discount percentage each year beginning with FY 2015:

Voice Service Phase-Out Table

Approved Discount % from Block 4	For FY2015	For FY2016	For FY2017	For FY2018	For FY2019
90	70%	50%	30%	10%	0
80	60%	40%	20%	0	
70	50%	30%	10%	0	
60	40%	20%	0		
50	30%	10%	0		
40	20%	0			
25	5%	0			
20	0				

Wireless Data Plans and Air Cards

- Basically ineligible

- Technically: Data plans and air cards for mobile devices will continue to be eligible for E-rate support **only** in instances where the school or library seeking support **demonstrates** that individual data plans are the most cost-effective option for providing internal broadband access for portable mobile devices at schools and libraries

Support of Internal Connections

Category 2

Category 2 Equipment & Services

- Basic: Cabling, routers, switches, wireless access points

- At least for FY 2015 and FY 2016:

  - Maintenance of basic LAN equipment

  - Managed Wi-Fi

  - Caching servers

- Newly <u>ineligible</u>:

  - All other servers

  - Telephone systems (including VoIP)

Category 2 Budgets

- Each eligible school shall be eligible for support for Category 2 services up to a pre-discount price of $150 per student over a five-year funding cycle

- Library Category 2 funds limited to $2.30 per square foot

- Minimum pre-discount funding per school or library is $9,200

- Budgeting mechanism replaces two-in-five rule for those funded in FY 2015 and FY 2016

- Category 2 rules for FY 2017 and beyond are unknown

Category 2 Budgets *(cont'd)*

- Budget is per school or library summed over all applications

- If all allowable funding is not utilized in first year, requested, remainder can be used in subsequent years

- Existing school budgets may rise or fall over the five year period as student count changes. Budget cuts do not impact earlier funding

- New schools may estimate the number of students, but shall repay any support provided in excess of the maximum budget based on student enrollment the following funding year

Category 2 Budgets (cont'd)

- Support is **not** available for Category 2 services provided to or within non-instructional school buildings or separate library administrative buildings

- **Unless** those Category 2 services are deemed essential for the effective transport of information to or within one or more instructional buildings of a school or non-administrative library buildings, or the FCC has found that the use of those services meets the definition of educational purpose

Category 2 Budgets *(cont'd)*

- Category 2 funding in any given year is not assured

- Available funding will be allocated to highest discount bands (lowest wealth applicants) first until all available funds expended for that year

- Within a discount band, actual district NSLP percentage will be used to allocate funds until expended

- Funding below 80-85% level unlikely in FY 2015

Discount Rate Issues

Revised Discount Matrix

% of students eligible for National School Lunch Program	Category one schools and libraries discount matrix		Category two schools and libraries discount matrix	
	Discount level		Discount level	
	Urban discount	Rural discount	Urban discount	Rural discount
< 1……………………….	20	25	20	25
1-19…………………..	40	50	40	50
20-34………………..	50	60	50	60
35-49………………..	60	70	60	70
50-74………………..	80	80	80	80
75-100………………	90	90	85	85

Discount Rate Calculations

- Each school or group of schools in a school <u>district</u> will use the single district-wide "matrix" discount rate for **all** funding requests

- An Educational Service Agency ("ESA") applicant should determine its discount using all E-rate eligible students in schools that fall under the control of the central educational agency

- Technical and special education schools are allowed to double-count students attending part-time with "snap-shot" counts

- Private or charter schools, operating as a group under the same administration and finances, will use a single district-wide "matrix" discount rate for **all** funding requests (i.e., like a district)

Discount Rate Calculations (cont'd)

- Each library or group of libraries in a library <u>system</u> will use the single system-wide "matrix" discount rate for **all** funding requests using the discount percentage of the district where the <u>main</u> branch of the library system is located

- An individual library will continue to use the discount percentage of the district where library is located

- School and/or library consortium applicants must average each member's district-wide discount for each application

Community Eligibility Provision (CEP)

- Districts and schools participating in the CEP will determine their discount percentage by using the same approach as that for NSLP eligibility under CEP – number of direct certified children times the CEP Multiplier – presently 1.6 – not to exceed 100% student eligibility

- CEP discount percentage - direct cert x 1.6 – may be used for up to 4 years

- If applicant adjusts calculation of CEP, change must apply to E-rate discount

Survey Method for Discount

- Discount determination based **only on surveys received** in reference to total student population (no extrapolation allowed):

  - Example – 100 total students, all surveyed, 60 surveys are returned – of those 52 indicate students are eligible for Free or Reduced lunch

    - Previously: 52 of 60 students eligible = 87% eligibility extrapolated to 100 students meant a 90% discount

    - Now: 52 of 100 students eligible = 52% eligibility means an 80% discount

Consortium Discount

- Still based on simple average of member discounts

  - FCC considering use of student-weighted average

- Consortium is the only type of applicant that can have a non-matrix discount

- Consortium discount applies to <u>all</u> FRNs within an application

Other Consortium Changes

- USAC will prioritize application review for state and regional consortium applicants — already in effect for FY 2014

- Consortium membership LOAs must be in place **prior** to filing the Form 470

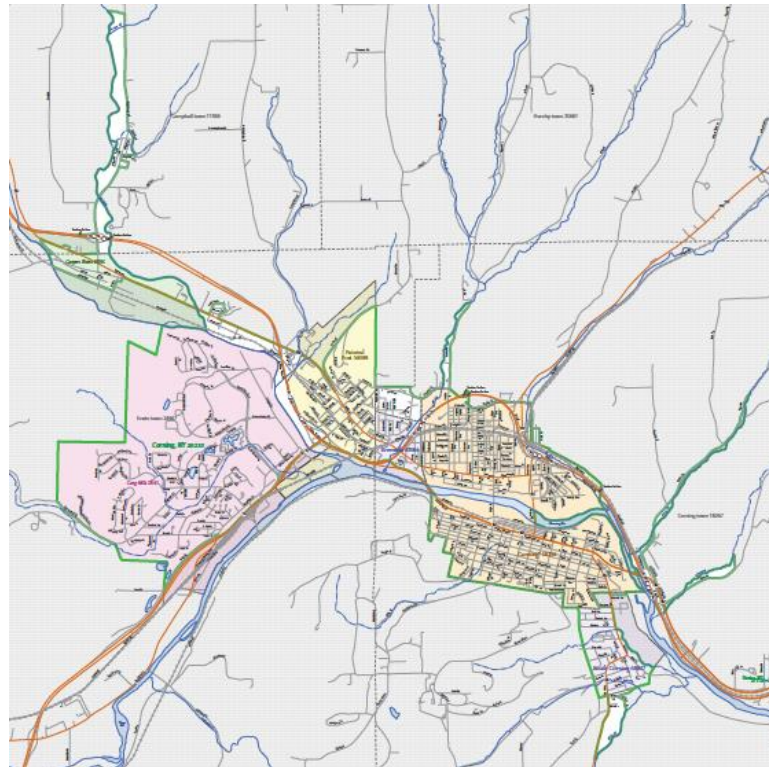- Consideration being given to discount rate premium for certain consortia

Urban – Rural Determination

- Census data will be used for determining urban/rural status

- Schools and libraries not located in census-indicated urban areas will be considered rural

- USAC will post a tool on its website to allow applicants to quickly find the urban/rural status of their entities

- A district or library system with a majority of entities considered rural will receive the benefit of rural status

- Currently, all "urban clusters" — previously in rural MSAs — are considered urban

Example of an Urban Cluster

http://www.census.gov/geo/maps-data/maps/2010ua.html

NYS Urban Clusters

Category One (< 10,000)	
Cluster Name	Population
Adams, NY	2,542
Akron, NY	2,982
Albion, NY	8,171
Alfred, NY	4,322
Arcade, NY	3,048
Attica, NY	6,828
Avon, NY	4,973
Bath, NY	7,124
Bedford, NY	2,679
Bradford, PA--NY	10
Canton, NY	6,489
Catskill, NY	6,453
Cazenovia, NY	3,114
Chester, NY	5,691
Chittenango, NY	5,083
Churchville, NY	3,134
Clifton Springs, NY	6,444
Cobleskill, NY	5,618
Cold Spring, NY	3,276
Conesus Lake, NY	4,858
Corinth, NY	3,995
Coxsackie, NY	6,341
Dansville, NY	5,141
Delhi, NY	2,953
Dryden, NY	3,882
East Aurora, NY	9,841
Ellenville, NY	6,577
Fort Plain, NY	5,730
Geneseo, NY	8,329
Gouverneur, NY	4,146
Gowanda, NY	6,323
Granville, NY--VT	2,751
Greenwich, NY	2,551
Hamilton, NY	4,427
Honeoye Falls, NY	5,270
Hoosick Falls, NY	3,592
Lake Placid, NY	3,581
Le Roy, NY	4,275
Liberty, NY	4,470
Little Falls, NY	4,956
Lowville, NY	3,562

Category One (< 10,000), cont.	
Cluster Name	Population
Maybrook, NY	2,959
Medina, NY	8,382
Montauk, NY	2,719
Monticello, NY	7,868
Mount Morris, NY	4,028
Newfane, NY	5,626
Norwich, NY	8,265
Otisville, NY	4,207
Owego, NY	5,071
Palmyra, NY	5,214
Penn Yan, NY	6,777
Perry, NY	3,688
Potsdam, NY	9,310
Ravena, NY	5,358
Red Hook, NY	6,661
Rhinebeck, NY	3,032
Salamanca, NY	5,738
Saranac Lake, NY	7,698
Sayre--Waverly, PA--NY	5,154
Sidney, NY	5,565
Silver Creek, NY	3,799
Skaneateles, NY	3,524
Sodus, NY	2,865
South Fallsburg, NY	3,388
Southold, NY	9,810
Springville, NY	3,897
Sylvan Beach, NY	3,451
Ticonderoga, NY	2,850
Tupper Lake, NY	4,204
Valatie, NY	5,336
Walton, NY	3,067
Walworth, NY	3,089
Warrensburg, NY	2,648
Warsaw, NY	3,017
Watchtower, NY	3,936
Watkins Glen, NY	3,457
Weedsport, NY	3,112
Wellsville, NY	6,084
Westfield, NY	3,015
Wurtsboro, NY	4,179

Category Two (10,000–24,999)	
Cluster Name	Population
Amsterdam, NY	22,262
Batavia, NY	17,834
Brockport, NY	20,255
Corning, NY	20,477
Hornell, NY	10,997
Hudson, NY	11,512
Ilion--Herkimer, NY	24,792
Malone, NY	10,825
Massena, NY	11,259
Newark, NY	13,799
Ogdensburg, NY	11,344
Olean, NY	22,324
Oneida, NY	21,784
Oneonta, NY	17,229
Port Jervis, NY--PA	11,122
Springs, NY	12,604
Walden, NY	11,565
Warwick, NY	12,080
West Point, NY	12,141

Category Three (25,000–49,999)	
Cluster Name	Population
Auburn, NY	32,274
Cortland, NY	27,493
Dunkirk--Fredonia, NY	25,514
Geneva, NY	29,990
Gloversville, NY	29,226
Jamestown, NY	43,404
Lockport, NY	36,024
Oswego, NY	39,385
Plattsburgh, NY	29,438
Rome, NY	33,428

http://ny.e-ratecentral.com/news/news2014/weekly-news-2014-1103-ny.asp

Procurement and Contract Issues

Data Collection and Pricing Transparency

- Item 21s have been revised to clearly indicate services and pricing — and will be made **public**

- Greater enforcement expected on Lowest Corresponding Price ("LCP") rule

Competitive Bidding Exemptions

- No bids and no Form 470 are required "business class" Internet access services of minimum 100 Mbps downstream and 10 Mbps upstream if pre-discount costs are $3,600 or less annually — per school or library

- FCC considering designation of nationwide "Preferred Master Contracts" ("PMCs") to provide "excellent pricing" for Category 2 services

    - No PMCs designated as yet

    - FCC may require PMCs to be included in bid evaluations where equipment is listed on a Form 470

Contract Issues

- Expedited review for multi-year contracts after first year

    - Those no longer than 5 years
    - Process does not include commitment to fund all years of multi-year contracts

- Having a signed contract in place prior to filing a Form 471 is no longer required, but there must be a "legally-binding agreement" in place

    - E.g., bid with all terms & conditions and an email accepting the bid is acceptable
    - Verbal offer or acceptance will **not** be acceptable

Revised Form 470 and Form 471

Revised Form 470 Online

- Minimal changes for FY 2015

    - Added "Managed Internal Broadband Services"

    - No technology plan certification

    - Document retention certification now 10 years

- Transition to new Form 470 in mid-November

Revised Form 471 Online

- Major changes for FY 2015

    - Disclaimer: Have only seen draft paper version
    - Online form totally redesigned
    - Reportedly "more applicant friendly and feature rich"
    - Templates to be available prior to window opening

- Block 4 changes

    - Single Block 4 for non-consortium applications
    - Additional information requirements (state school IDs)
    - Revised discount rate calculations
    - New survey questions on connectivity

Revised Form 471 Online *(cont'd)*

- Block 5 changes

  - New information on contract extensions
  - Voice phase-out discount rate adjustments
  - Line-by-line Item 21 data required by service type
  - Entity listings on FRN-by-FRN basis
  - Category 2 budget calculations and allocations, including application summary

Block 4

Block 4: Discount Calculations and Recipients of Service

7. School District or Library System Name

School District or Library System Billed Entity Number _____   School District or Library System Name _____

7a. Enter all of the schools or libraries, as well as NIFs, that are part of your school district or library system, regardless of whether they are receiving service as part of this application or not.

Entity #	Individual School or Library Outlet/ Branch Name	NCES or FSCS Code	Urban or Rural	NIF	SCHOOLS ONLY							
					State LEA ID	State School ID	# of Students that attend this school full time or part time	Student count based on estimate	Alternative Discount?	School Attributes:	Pre-discount Entity Category Two Budget	Post-discount Entity Category Two Budget
								☐				
								☐				
								☐				

LIBRARIES ONLY					
Total Square Footage of library outlet	Main Branch? (Y/N)	School District Billed Entity Number	Library Attributes	Pre-discount Entity Category Two Budget	Post-discount Entity Category Two Budget

7b. School District Discount Calculation (NOTE: Libraries provide the information for the public school district(s) in which the main branch of the library is located.)
Consortium Discount Calculation: Complete one line for each school district entity number that will be featured in the Consortium Discount Calculation.

School District Name	School District Entity Number	Total Number of Students Enrolled in School District	Total Number of Students in School District Eligible for NSLP	Percentage of Students in School District Eligible for NSLP	Category One Discount Rate	Category Two Discount Rate

Block 4, cont.

8. Connectivity

Please complete the following information for the school, school district, library, or library system referenced in Block 8a. Complete only once for each school, school district, library, or library system.

Internet Access

8a. Schools and School Districts. Does the school district (or school, if not part of a district) referenced in Block 7a have Internet access of

☐ less than 100 Mbps per 1,000 users (students and staff)
☐ at least 100 Mbps per 1,000 users but less than 1Gbps per 1,000 users
☐ at least 1 Gbps per 1,000 users

8b Libraries.

1 How many libraries that are part of the library system referenced in Block 7a serve a population of *less than* 50,000? _____

How many of these libraries serving populations less than 50,000 have Internet access of
less than 100 Mbps: _____
at least 100 Mbps but less than 1Gbps: _____
at least 1 Gbps: _____

2. How many libraries that are part of the library system referenced in Block 7a serve a population *greater than or equal to* 50,000? [integer]

How many of these libraries serving populations greater than or equal to 50,000 have Internet access of
less than 100 Mbps: _____
at least 100 Mbps but less than 1Gbps: _____
at least 1 Gbps: _____

Wide Area Networking

8c. Schools and School Districts.
How many of the schools in the school district referenced in Block 8a have Wide Area Networking connections that are scalable to 10 Gbps? _____

8d. Libraries.
How many of the libraries in the library system referenced in Block 8a have Wide Area Networking connections that are scalable to 10 Gbps? _____

8e. How many schools in your school district or libraries in your library system have LAN/WLAN capacity and coverage?

1. Completely sufficient to support the educational or library activities conducted there: _____
2. Mostly sufficient to support the educational or library activities conducted there: _____
3. Sometimes sufficient to support the educational or library activities conducted there: _____
4. Rarely sufficient to support the educational or library activities conducted there: _____
5. Not sufficient to support the educational or library activities conducted there: _____

8f. For those schools and libraries that do not have sufficient LAN/WLAN capacity and coverage to support the educational objectives or library activities conducted at that location, is the reason (check all that apply):

☐ 1. Equipment too costly

☐ 2. Installation too costly

☐ 3. Broadband connection speed to building is too slow

Page 4 of 12   Draft FCC Form 471 – Date 2014

Block 4, cont. and Block 5

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- ☐ 4. Inadequate local area network (LAN) services/internal networks and wiring
- ☐ 5. Outdated equipment
- ☐ 6. Lack of training and technical support
- ☐ 7. Inconsistent service/frequent outages and down time
- ☐ 8. Physical structure or layout of building(s)
- ☐ 9. Other: If so, please provide it here:
     _____

9. Consortium Discount Calculation

Name of Consortium Member	Billed Entity Number of Consortium Member	Category One Discount Rate	Category Two Discount Rate
Sum of Member Discounts			
Number of Members			
Category One Consortium Discount			
Category Two Consortium Discount			

End of Block 4

- -

Start of Block 5

Block 5: Discount Funding Request(s)
Instructions: Use one Block 5 for EACH service (Funding Request Number)for which you are requesting discounts.

Optional: Applicant FRN Identifier: _____   FRN _____
                                                            (to be assigned by administrator)

10 ☐   If this is a duplicate Funding Request (e.g., of an FRN that is not yet approved, under appeal, etc.), check this box and enter the original FRN in the space provided: _____

11   **Service Type** (check only ONE box)

CATEGORY ONE
- ☐ Telecommunications Services
- ☐ Voice Services
- ☐ Internet Access

CATEGORY TWO
- ☐ Basic Maintenance of Internal Connections
- ☐ Internal Connections and Managed Internal Broadband Services

Establishing FCC Form 470 (check only ONE box)

12a ☐ An FCC Form 470 was posted. Provide Application Number below:
      _____

12b ☐ This Funding Request is for an eligible commercially available business-class Internet access service exempt from the requirement to post an FCC Form 470.

12c ☐ This Funding Request is for an eligible preferred master contract exempt from the requirement to post an FCC Form 470.

13   **SPIN – Service Provider Identification Number**
     _____

20   **Calculations**

Recurring Charges

A. Monthly charges (total amount per month for service)
   _____

B. How much of the amount in A is ineligible? _____

C. Eligible monthly pre-discount amount   (A minus B)

Page 5 of 12   Draft FCC Form 471 – Date 2014

Block 5, cont.

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14	Service Provider Name

D. Number of months service provided in funding year _____

E. Annual pre-discount amount for eligible recurring charges (C x D) _____

15a ☐ Check this box if this Funding Request is for non-contracted tariffed or month-to-month services.

F. Annual non-recurring charges _____

15b **Contract Number**

15c ☐ Check this box if this Funding Request is covered under a master contract (a contract negotiated by a third party, the terms and conditions of which are then made available to an eligible entity that purchases directly from the service provider).

G. How much of the amount in F is ineligible?

15d ☐ Check this box if this Funding Request is a continuation of an FRN from a previous funding year based on a multi-year contract. If so, provide that FRN here: _____

15e ☐ Check here to certify that there is a specific statute, rule or other restriction barring publication of the information provided in Item 21. Applicants making this certification shall retain the necessary documents to demonstrate this restriction and cite below to the statute, rule or other restriction that prevents this information from becoming public. Note that contracts and other agreements executed after September 18, 2014 may not prohibit pricing disclosure, and any such restrictions will have no effect.

Restriction that prevents information from becoming public:

_____

Non-Recurring Charges

16a **Billing Account Number** (e.g., billed telephone number)

16b ☐ Check this box if there are multiple Billing Account Numbers and attach a complete list of those numbers to this page.

H. Annual eligible pre-discount amount for non-recurring charges (F minus G)

17 **Allowable Vendor Selection/Contract Date** (mm/dd/yyyy)

18 Contract Award Date (mm/dd/yyyy)

I. Total funding year pre-discount amount (E + H) _____

19a Service Start Date (mm/dd/yyyy)

J. Discount from Block 4 Worksheet _____

19b Service End Date (mm/dd/yyyy)

— voice phase out (if applicable)

If Voice Services: FY 2015—subtract **20%**
FY 2016—subtract **40%** _____

19c **Contract Expiration Date** (mm/dd/yyyy)

Total Charges

K. Funding Commitment Request (I x J)

19d Indicate whether the contract for this FRN contains a clause that permits the parties to extend or renew the agreement at the end of the initial contract period:

☐ Yes   ☐ No

If yes:
Number of possible extensions remaining _____
Total length of contract if all extensions are exercised: _____

Block 5, cont.

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Item 21a – Telecommunications (including Voice) and Internet Access   FRN _____

Narrative Description of this FRN

Services Requested

FRN line Item number	Type of Service Requested	Type of Connection	Purpose (transport, Internet, both, voice)	Quantity or # of lines	Bandwidth Upload speed	Bandwidth Download speed (if different)	Burstable bandwidth? (Y/N/ Unknown) If yes, insert max speed.	Basic firewall protection included? Y/N	Recipient of Service [Entity Numbers]	Last Mile connection? (Y/N)	WAN	Monthly Re-curring Eligible Cost	Monthly Re-curring Ineligible Cost	One-time Eligible Cost	One-time In-eligible Cost	Extended Line item Cost

Item 21b – Internal Connections   FRN _____

Narrative Description of this FRN

Services Requested

FRN Line Item	Type of Internal Connections (drop down)	Type of Product (drop down)	Quantity and unit	Make	Model	Lease or Non-Purchase Arrangement (Yes/No)	Monthly Recurring Eligible Cost	Monthly Recurring Ineligible Cost	One-time Eligible Cost	One-time Ineligible Cost	Extended Eligible Line Item Cost (calculated)

FRN line item (system generated)	Recipients of Service (Entity Number)	Cost-Allocation

44

Block 5, *cont.*

OMB 3060-0806
Item 21c –Managed Internal Broadband Services

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**Narrative Description
of this FRN**

Services Requested

FRN line item (system generated)	Type of Managed Service Agreement	Monthly Recurring Eligible Cost	Monthly Recurring Ineligible Cost	One-time Eligible Cost	One-time Ineligible Cost	Extended Eligible Line Item Cost (calculated)

FRN line item (system generated)	Recipients of Service (Entity Numbers)	Cost-Allocation

Item 21d – Basic Maintenance of Internal Connections   FRN _____

**Narrative Description
of this FRN**

Services Requested

FRN line item (system generated)	Type of Internal Connections being maintained (function drop down)	Type of Product being maintained (product type dropdown)	Quantity and unit	Make of Covered Equipment	Model of Covered Equipment	Cost Allocation % (if not 100% eligible)	Monthly Recurring Eligible Cost	Monthly Recurring Ineligible Cost	One-time Eligible Cost	One-time Ineligible Cost	Pre-Discount Extended Eligible Line Item Cost (calculated)

FRN line item (system generated)	Recipients of Service (Entity Numbers)	Cost-Allocation

Page 8 of 12   Draft FCC Form 471 – Date 2014

Block 5, cont.

OMB 3060-0806

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Category Two Funding Requested By Entity

The table below shows the Category Two funds that you have requested for each of the entities you listed in Block 4. This table does not include any funding requested on other FCC Forms 471 that includes these entities. To determine if any of the entities are over their Category Two budget, you must review all of the Category Two applications filed that include your entities. This may include applications filed by other applicants, such as consortia. If the total dollars requested by, and on behalf of, any of your entities in this funding year exceeds its Category Two budget for this funding year, processing of your application may be delayed.

Entity Name	Entity Number	Total Category Two Pre-discount Request on this Application	Category Two Pre-discount Budget	Difference

Draft FCC Form 471 – Date 2014

Category 2 Filing Issues

- Partial E-rate funding for projects exceeding the 5-year Category 2 budget cap

- Funding exposure on multi-year Category 2 requests

- FRN per entity filing strategy for maximum flexibility

Other "Simplification" Changes

Other "Simplification" Measures

- Technology plans **not required** for either Category 1 or Category 2

- New Form 470 and Form 471 **must** be filed electronically by FY 2015

- Beginning in FY 2017 **all** forms and SLD correspondence will be required to be filed or sent electronically

BEAR Reimbursement Process

- Applicants will receive direct reimbursement from USAC **beginning with FY 2016**

  - Applies to Form 472 BEAR filings only

  - All USAC payments must be made electronically

  - Applicants must have banking information on file as to where BEAR payments should be sent – accounts where **electronic transfers** of funds will be accepted

  - Service providers must certify on Form 473 that bills are accurate and eligible for E-rate support

Other Procedural Changes

Invoice Filing Deadlines

- FCC codifying existing invoice filing (BEAR & SPI) deadline process allowing applicants to request and automatically receive a single **one-time** 120-day extension of their invoicing deadline

  - Invoice deadline extension requests must be made **no later than** the existing initial deadline for filing BEAR or SPI requests

  - USAC not allowed to grant further invoice deadline extension requests

  - Waivers by the FCC may be granted only in extraordinary circumstances

Appeal Rules

- All appeals of USAC decisions **must** be made to USAC as a first step before filing appeals with the FCC

- Applicants seeking **only** a waiver of the rules may address the waiver request directly to the FCC

Document Retention and Access

- The document retention period will be extended from five to **10 years** after the latter of the last day of the applicable funding year, or the service delivery deadline for the funding request

- E-rate applicants and service providers must allow auditors, investigators and others appointed by State, USAC, and the FCC access to enter & inspect premises

Other Pending Changes for FY 2015

- Probable follow-up order(s) to FNPRM and petitions for reconsideration

- Possible "clarification" order(s)

- Second modernization order focusing on Category 1 issues

Additional Information

SLD

Website: www.usac.org/sl/

The E-rate
Modernization Order

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