MEMORANDUM

Date: 10/1/2002

To: E-Rate

From: Claude Shipley

RE: E-Rate News for the Week of 9/23/2002-9/27/2002

- Internal Connection Funding at 90% for FY 2002
- Form 471 Application Window Set for FY 2003
- Updated SLD Guidance on Service and Supplier Changes
- E-Rate Training Material on SLD Web Site

The E-Rate News for the Week, prepared by E-Rate Central, is sponsored by the Council of Chief State School Officers ("CCSSO <http://www.ccsso.org>") and made possible by a grant from the AT&T Foundation <http://www.att.com/foundation/>. Official SLD news is in the "What's New!" section of the 'SLDs Web site <http://www.sl.universalservice.org> (http://www.sl.universalservice.org). Additional information is on the State Education Telecommunications Alliance's ("SETA <http://www.e-ratecentral.com>") Web site (<http://www.e-ratecentral.com/>).

- Internal Connection Funding at 90% for FY 2002

The SLD determined this week that full funding would be available for valid Internal Connection (Priority Two) requests at the 90% discount level. Applicants, who have already received Funding Commitment Decision Letters ("FCDLs") indicating that their Internal Connection requests were "As Yet Unfunded," should receive second FCDLs with decisions on these requests. A large number of Priority Two decisions are expected in the FCDLs to be released in Wave 13 on Tuesday, October 8.

No Internal Connection funding decisions have yet been reached on discount rate requests in the 80-89% range.

- Form 471 Application Window Set for FY 2003

The SLD has formally set the Form 471 application filing window for the 2003-2004 funding year. The window will open on Monday, November 4, 2002 (noon EST) and close on Thursday, January 16, 2003 (11:59 p.m. EST). Given the demand for E-rate funds, only applications filed within this window period are likely to be funded.

Please remember that a Form 470 must be filed, and posted on the SLD Web site for 28 days before service providers are selected (and contracts signed) for next year and before a Form 471 is filed. To take full advantage of the Form 471 window, therefore, Form 470s should be submitted as soon as possible.

 Updated SLD Guidance on Service and Supplier Changes

A significant amount of new information was posted on the SLD Web site this week on requests for service and supplier changes. Web links and summary comments are provided below.

Service Substitution Guidance
<http://www.sl.universalservice.org/reference/ServiceSub.asp>

An applicant wishing to apply for E-rate discounts awarded on a specific service to a different, but functionally equivalent service, must request approval for the substitution. The new guidelines include specific criteria and deadlines that must be met for these requests. Note the following:

(a) Previously, a service substitution request had to be initiated by filing another Form 471 using Block 2 to indicate a "Minor Modification to Existing Contract." The preferred request mode is now a letter (a sample format is provided).

(b) A service substitution request may be submitted no later than the last day of funded service, i.e., June 30 for a recurring service and September 30 for a non-recurring service. (For most 2001-2002 funded non-recurring services, therefore, this deadline is Monday, September 30.)

(c) If a service substitution is required because the vendor has discontinued a specific product, procedures are discussed whereby the vendor can initiate a service substitution request on behalf of all affected applicants.

SPIN Change Guidance
<http://www.sl.universalservice.org/reference/SpinChange.asp>

An applicant who has changed (or plans to change) the vendor used for a given service may request that the associated funding switched from the original vendor to the new vendor by filing a SPIN (Service Provider Identification Number) change request. The new guidelines include specific criteria and deadlines that must be met for these requests. Note the following:

(a) If the change in vendor also requires a service substitution, both a service substitution request and a SPIN change request must be filed. The filings can be made concurrently.

(b) A SPIN change request may be submitted no later than the last day of funded service, i.e., June 30 for a recurring service and September 30 for a non-recurring service. Note that for FY 2001, the recurring service SPIN change deadline has already passed; the non-recurring deadline is Monday, September 30. We encourage any applicant, who is still preparing BEARs that require SPIN changes for FY 2001, to continue to file SPIN change requests in hope that the SLD will not strictly enforce these deadlines.

(c) The new guidance information includes specific certification language that must be included in all SPIN change requests. While the letters can contain other explanatory information, these certifications should be included verbatim.

SPIN Correction Guidance
<http://www.sl.universalservice.org/reference/SPINCorrection.asp>

A SPIN "correction" is essentially a simpler form of a SPIN "change." A correction request can be made when a there is no real vendor change. Changes that can be corrected include those necessitated by data entry errors on the Form 471 or by vendor mergers or acquisitions. Corrections can be made at any time: there are no deadlines.

Letters requesting service substitutions or SPIN changes and corrections can be mailed to the SLD, e-mailed to SLDCorrespondenceUnit@sl.universalservice.org <mailto:SLDCorrespondenceUnit@sl.universalservice.org>, or faxed to (973) 599-6526.

- E-Rate Training Material on SLD Web Site

For the last two years, the SLD has conducted intensive "Train-The-Trainer" workshops for state E-rate representatives. The 2002 workshop was held earlier this September. Copies of the PowerPoint slides that were used in this workshop are available at <http://www.sl.universalservice.org/reference/Presenations2002.asp>. (For those typing in the URL address, please note the condensed spelling of the word "presentations.")

NOTE: We are going to add another E-Rate workshop to the four already planned and announce to better support E-Rate applicants in south Florida: site will possibly be in Palm Beach County or Broward County and will be announced this week.
Appreciate the feedback on desire for workshops, Claude

The 2002 Washington, DC workshop was videotaped and is available online for a limited time only to registered users (see <http://www.universalservice.org/sldb/webcast/register.asp>). Viewers interested in watching only portions of the web cast should reference the workshop agenda (see <http://www.sl.universalservice.org/reference/2002Agenda.asp>).

Applicants looking for more basic training information on the E-rate process, including step-by-step suggestions for completing specific forms, may want to reference the slides from the previous year's workshop that is still available on the SLD Web site at <http://www.sl.universalservice.org/reference/Presenations2001.asp>. Another good source of information is the "Applications Tips" section of the E-Rate Central Web site.

Disclaimer: This newsletter may contain unofficial information on prospective E-rate developments and/or may reflect E-Rate Central's own interpretations of E-rate practices and regulations. Such information is provided for planning and guidance purposes only. It is not meant, in any way, to supplant official announcements and instructions provided by either the SLD or the FCC.