



Erate Discount Program Information

On May 7, 1997, the Federal Communications Commission (FCC) adopted a Universal Service Fund Order implementing the *Telecommunications Act* of 1996. The law and subsequent Order's intent was to facilitate affordable access to modern telecommunications and information services for eligible schools and libraries. The program, known as the Education Rate or Erate makes up to \$2.25 billion annually available to provide discounts on eligible services to schools and libraries.

The not-for-profit Universal Service Administrative Company (USAC) is responsible for administering the Fund under the direction of the FCC. The Schools and Libraries Division (SLD) of USAC administers the day-to-day operations of the erate program.

This document gives a general overview of the erate program application process.

Program Overview

Eligible non-profit schools and libraries may receive discounts ranging from 20 percent to 90 percent on eligible telecommunication services, depending on economic need and location (urban or rural). The level of discount is based upon the percentage of students eligible for participation in the National School Lunch Program or other federally approved alternative mechanisms contained in the Improving America's Schools Act. Libraries use the discount percentage of the school district in which they are located.

Eligible services include:

- **Traditional telecommunications services**
A full range of commercially available telecommunications services including basic telephone service, long distance telephone service, leased data circuits, ISDN lines and video services.
- **Internet access**
Direct connections, voice over IP service and e-mail (training and content is not included).
- **Internal connections**
Communications wiring, routers, switches, hubs, PBXs, network servers, uninterruptible power supply systems, some networking software, and wireless LANs, as well as maintenance of these connections.

Application Process

To apply for discounts, schools and libraries submit a three-stage application process consisting of:

1. FCC Form 470 (Description of Services Requested and Certification)

This form describes the services and/or products you are seeking, and includes information about you that service providers need to know to best meet your needs. After receiving and posting your Form 470, the SLD will mail you a *Form 470 Receipt Notification Letter*, confirming that your Form 470 was successfully posted. The 470 must be posted on the SLD web site for a

28-day competitive bidding period, during which vendors will contact you to bid on your requested services. You must wait at least 28 days from the date
(continued on other side)

Questions?

For more detailed information about the erate program, eligibility, and how to apply, please visit these web sites:



**Merit Network, Inc.,
Erate Information**

<http://www.merit.edu/erate/>

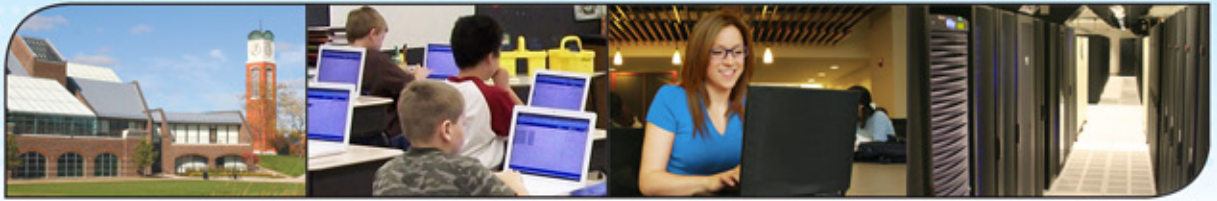
Schools and Libraries Division

<http://www.universalservice.org/sl/>

**Michigan Department of
Education**

<http://www.michigan.gov/mde/>

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Application Process (continued)

of your FCC Form 470 **posting** before signing any contract or making other arrangements for new services. Nothing in this process is intended to supplant or replace state or local competitive bidding processes or time frames. At the end of the 28-day competitive bidding process, you select the vendor(s) for the requested services and sign a contract, unless one is not required, such as tariff telecommunications services or month-to-month service arrangements, which are usually provided without a formal written contract.

2. FCC Form 471 (Services Ordered and Certification)

This form provides the SLD with the details of actual costs for each service you requested. After you have selected service providers and signed contracts, you must file the Form 471 as soon as you are allowed. Each year the SLD establishes a "window period" for the Form 471, during which all properly completed applications are treated as if they were simultaneously received. Form 471 applications must be submitted during this window to be treated as if they had been simultaneously received. Forms received after the window closes will be treated on a first-come, first-served basis.

The SLD will mail you *Form 471 Receipt Acknowledgement Letters*, confirming what was requested on your Form 471. After your Form 471 has been reviewed, the SLD issues a *Funding Commitment Decision Letter*, telling what level of erate funding has been allocated for eligible services. Each service that you request will be assigned a Funding Request Number and will be approved or disapproved individually. The SLD will also notify your vendors of your funding commitment.

3. FCC Form 486 (Receipt of Service Confirmation)

After you receive the Funding Commitment Decision Letter, you must submit the Form 486 as an indication that service has begun. This form allows the SLD to process your service provider(s)/vendor(s) invoices for your discount.

The Form 486 is also used to certify compliance with the *Children's Internet Protection Act* (CIPA) regarding Internet safety policies and filtering. Both libraries and schools must comply with the Internet safety policy and public hearing requirements.

Each year the SLD establishes a Form 471 "window period." Form 471 applications must be submitted during this window to be treated as if they had been simultaneously received. Forms received after the window closes will be treated on a first-come, first-served basis.

For more information on the Erate Discount Program, please contact a Connectivity Specialist at info@merit.edu or at (734) 527-5772.

Receiving Discounts

Once a funding request has been accepted and approved, you will receive the applicable discount on telecommunications services, Internet access, and/or internal connections, and pay the remaining portion of the costs to your service providers. Service providers who send discounted bills to participating customers will be reimbursed by the Fund Administrator for the cost of the approved discounts.