



# E-rate Program

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## **State of E-rate**

May 10, 2012 - Atlanta | May 15, 2012 – Los Angeles

## Topics

- FY2012 Demand Estimate
- FY2012 Priority 1
- FY2012 Priority 2
- Audits
- HATS

## FY2012 Demand Estimate



# Estimate of Demand (Post Discount) 2012

FRN 10% Stratification Report

Report Data as of COB:

Monday, April 16, 2012

	<u>Telecom Services</u>	<u>Internet Access</u>	<u>Priority 1</u>	<u>Internal Connections</u>	<u>Basic Maintenance</u>	<u>Priority 2</u>	<u>Total</u>	<u>Percent</u>
:19	\$0.00	\$0.00	<b>\$0.00</b>	\$0.00	\$0.00	<b>\$0.00</b>	<b>\$0.00</b>	<b>0.0%</b>
20:29	\$1,636,376.21	\$932,849.09	<b>\$2,569,225.30</b>	\$459,788.98	\$105,324.74	<b>\$565,113.72</b>	<b>\$3,134,339.02</b>	<b>0.1%</b>
30:39	\$3,540,856.70	\$816,528.67	<b>\$4,357,385.37</b>	\$0.00	\$0.00	<b>\$0.00</b>	<b>\$4,357,385.37</b>	<b>0.1%</b>
40:49	\$83,479,685.28	\$33,333,289.32	<b>\$116,812,974.60</b>	\$11,080,337.69	\$1,370,491.38	<b>\$12,450,829.07</b>	<b>\$129,263,803.67</b>	<b>2.5%</b>
50:59	\$109,158,560.32	\$37,323,609.85	<b>\$146,482,170.17</b>	\$23,618,102.47	\$1,520,219.70	<b>\$25,138,322.17</b>	<b>\$171,620,492.35</b>	<b>3.3%</b>
60:69	\$210,806,884.56	\$65,372,335.48	<b>\$276,179,220.04</b>	\$32,021,080.27	\$3,281,077.03	<b>\$35,302,157.29</b>	<b>\$311,481,377.33</b>	<b>5.9%</b>
70:79	\$386,800,841.29	\$164,985,008.92	<b>\$551,785,850.22</b>	\$98,421,024.18	\$4,210,473.45	<b>\$102,631,497.63</b>	<b>\$654,417,347.85</b>	<b>12.5%</b>
80:89	\$694,957,364.38	\$237,700,151.28	<b>\$932,657,515.67</b>	\$1,132,402,961.87	\$105,397,946.90	<b>\$1,237,800,908.77</b>	<b>\$2,170,458,424.44</b>	<b>41.4%</b>
90:90	\$251,547,172.45	\$161,695,848.80	<b>\$413,243,021.25</b>	\$1,170,911,301.00	\$208,052,157.66	<b>\$1,378,963,458.67</b>	<b>\$1,792,206,479.92</b>	<b>34.2%</b>
<b>TOTAL</b>	<b>\$1,741,927,741.21</b>	<b>\$702,159,621.41</b>	<b>\$2,444,087,362.62</b>	<b>\$2,468,914,596.46</b>	<b>\$323,937,690.87</b>	<b>\$2,792,852,287.33</b>	<b>\$5,236,939,649.95</b>	<b>100.0%</b>
	<b>33.3%</b>	<b>13.4%</b>	<b>46.7%</b>	<b>47.1%</b>	<b>6.2%</b>	<b>53.3%</b>	<b>100.0%</b>	

**Notes:**

These figures represent the total universe of requests received inside the filing window. The estimate includes those requests for which the certifications were received and postmarked by the deadline as well as those applications completed online by the deadline that are awaiting Certification. The totals above may reflect some duplicate applications. These requests are as submitted by the applicants and not yet reviewed for compliance with program rules.

Fund Year: **2012**

Apps Received: **46,838**

FRNS: **141,077**

Total Post Discount: **\$5,236,939,649.95**

Deadline (Window Close): **3/20/2012 11:59:59 PM**

## **FY2012 Priority 1 from 20% - 90%**

- April 20 Demand Estimate sent to FCC
- April 23 USAC Board approved funding All P1s
- April 25 request sent to FCC to fund all P1s
- USAC Review Procedures approved by FCC
- First FY2012 funding wave target - end of May
- \$2.176 billion needed to fund all P1s

## FY 2012 Priority 2

- FY2012 P2s at 90% will require FCC to roll over funds
- FCC makes decision on rollover in 2<sup>nd</sup> quarter 2012
- If enough funds are available, will fund 90%
- If required funds are not available, FCC rules direct USAC to prorate
- Decision regarding FY2012 P2 at 90% is months away

## Payment Quality Assurance (PQA)

- Not an audit
- Easier
- Faster
- Less work
- Less expensive
- PQA will always contact the applicant for information, and **may** need the service provider's assistance for billing information

## Beneficiary/Contributor Compliance Audit Program (BCAP)

- An audit
- Necessary to ensure compliance with FCC rules & orders
- Less complex than previous audits
- Ongoing, starting 3<sup>rd</sup> Qtr 2011
  - No end, no rounds
- If applicant selected for audit, service provider will be notified

## Beneficiary/Contributor Compliance Audit Program (BCAP)

- Steps for Service Providers to minimize audit findings and assist applicants
  - Retain documents and information, such as contracts, service agreements, customer bills, maintenance logs, installation and delivery dates, and invoices
  - Provide sufficient detail on customer bills
    - Include Funding Request Number (FRN), specific details of the items purchased (e.g., serial numbers, quantity, product descriptions, product delivery information)
    - Indicate total amount due ("Pre-Discount Amount") less amounts paid by or to be paid by USAC



## Beneficiary/Contributor Compliance Audit Program (BCAP)

- Provide sufficient detail on bills (cont.)
  - Indicate payment terms of the net amount of the bill
  - Separate eligible items from ineligible items
  - Generate separate bills for eligible and ineligible items to reduce risk of including an ineligible item on BEAR/SPI
- Complete BEAR/SPI using one line per customer bill
- Reimburse applicants within 20 days of receipt of funds from USAC (BEAR payments)

## HATS (Helping Applicants To Succeed)

- In 2012 USAC will have 1,000 HATS contacts
- Answer complex questions
- Provide deadline reminders
- Help new applicants, including new contact people
- Etc.

# Questions?