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Funding Status

Wave 41 for FY 2015 will be released on Thursday, March 17th. Funding for FY 2015 is available for both Category 1 and Category 2 services at all discount levels. Cumulative funding for FY 2015 is \$3.11 billion.

Broadband Deficiencies Correction Program (BDCP) Update

Outreach Efforts

Outreach to stakeholders is a priority for the BDCP team. As such, multiple outreach methods exist to provide resources for the community. Over the life of the project, the team has been communicating through the following methods:

- Direct outreach to individual stakeholders.
- Email communication through PED.
- Through the PSFA Broadband webpage. (<http://www.nmpsfa.org/it/bdcp.htm>).
- Presentations at various conferences.

- On a limited but growing basis through E-Rate Central’s New Mexico E-Rate Exchange. Although the BDCP team will continue to use the above methods, the following resources regarding the BDCP and E-rate are also available:

- The [BDCP](#) page on the PSFA website will be one of the main resources available to stakeholder community. As additional information becomes available, PSFA intends to use this site as a repository for helpful information and links.
- The E-Rate Central [New Mexico webpage](#).
- The [USAC website](#). USAC has been using their blog [File Along With Me](#) blog to communicate some useful information about the filing process for Funding Year 2016.

Update on BDCP State Master Contracts

PSFA has awarded contracts to the vendors selected as part of [RFP No: PSFA # BDCP E-rate-11-2015](#). These contracts are multiple award schedules that provide not to exceed purchasing vehicles for New Mexico E-rate applicants. The awards are broken down into seven groups:

- Group 1: Wireless Network Equipment
- Group 2: Wired Network Equipment
- Group 3: Content Distribution
- Group 4: Cable Installation and Verification Services
- Group 5: Professional Services for Installation including Evaluation, Design, Planning, and Configuration
- Group 6: Managed Internal Broadband Connections
- Group 7: Basic Maintenance of Eligible Broadband Internal Connections

Vendors providing services under these contracts may only provide services in the group under which their contract was awarded. That is not to say that a vendor can’t provide other services that are not part of their State Master Contract. In a situation where an applicant has filed their own Form 470, if a vendor provides a bid in a specific category for which they were not awarded, the school or library MUST enter into a separate contract. In other words, services ordered outside of the contracts created under RFP No: PSFA#BDCP E-rate-11-2015 must be procured under the applicant’s own Form 470 if a school or library wishes to receive E-rate discounts on the service.

Early this week, the BDCP group expects to post a list of vendors and their contact information on the [BDCP](#) page. The list includes vendors that were awarded contracts, broken down by group. The BDCP team continues to test the Mini-Quote System, mentioned in the March 7, 2016 New Mexico E-Rate Exchange. In the meantime, applicants should begin to use the new contracts now.

Process for Using the BDCP State Master Contracts

The new BDCP State Master Contracts may be used outside of the E-rate process or in conjunction with an application for E-rate discounts. The State filed Form 470 Number 160003730 and an RFP to procure the new State Master Contracts. However for those seeking E-rate discounts who have enough time to wait 28 days, the State recommends you file your own Form 470, as the process is somewhat less labor intensive. Following determination of the Form 470 process a mini-bid or bid evaluation must be conducted to determine the most cost effective solution.

Using your Own Form 470

If you have not filed your own Form 470 we suggest that you do in the next week, as April 1, 2016 is the last possible day to file a Form 470 and have an allowable contract date before the close of the window. Filing on April 1st will likely NOT allow enough time for you to complete all of the steps required to file a timely Form 471.

When filing the Form 470 it is important to provide specific information to allow vendors to provide responsive bids. Once your Form 470 is posted you could receive bids from vendors that may or not be State Master contract bids. You can also solicit bids from vendors, including those vendors on the BDCP State Master Contract. It is vital that you have an [“open and fair”](#) bidding process and share the same information with ALL interested bidders. Once you have reached your allowable contract you can begin to evaluate bids, but please note you can keep your bidding process open longer than 28-days. In a future New Mexico E-Rate Exchange, we will discuss in detail strategies for completing your bid evaluation matrix.

Here are a few pointers on the Form 470. We suggest that you make vendors aware of their obligation to offer the Lowest Corresponding Price. Perhaps using the following language, “As required by E-rate rules, all bids in response to this Form 470 must offer the Lowest Corresponding Price (LCP). See the USAC website for additional information on LCP.” You may want to notify vendors that preference will be given to solutions that are based off a pricing vehicle that is at least as low as the pricing on the BDCP State Master contracts. This is important because in order to receive BDCP matching funds, there is an expectation that the pricing will be comparable to the pricing on the BDCP State Master contracts and it will be your responsibility to ensure this is the case. Finally, please remember that in accordance with the FCC [Queen of Peace Decision \(DA 11-1991\)](#) you cannot limit your evaluation to a particular vendor and you MUST consider bids for equivalent equipment from a different manufacturer.

Using the State Form 470

If you decide to not post your own Form 470 and use the State Form 470 the process becomes a little more complicated. If you use the State Form 470 only, you are limited to services provided in the State Master contracts listed in the seven groups above. Because this is a

multiple award contract, program rules require you to solicit bids from ALL vendors in the award Group for which you are seeking bids. For example, if 15 vendors were awarded as part of Group 1: Wireless Network Equipment and you are seeking Wireless Network Equipment quotes, you will be required to contact all 15 vendors from Group 1 and ask them to provide a quote on the project, thus complicating your mini-bid or bid evaluation. That is not to say that all vendors will respond to your request for quotes. You are simply required to reach out to all of them and request quotes. USAC's website has additional information on [State Master Contracts](#).

We will continue to provide additional information as it becomes available and will provide tools to help applicants successfully file for E-rate discounts on these services.

Updates on USAC's E-Rate Productivity Center

Form 471 RAL Correction Process – Coming:

[Last week's USAC EPC webinar](#) included a brief discussion of the Form 471 Receipt Acknowledgment Letter ("RAL") process that will be implemented in EPC shortly — perhaps as soon as this week (check USAC's next News Brief). Historically, USAC has mailed a RAL to any applicant submitting a Form 471. The paper RAL summarized the Form 471 information and provided the applicant with an opportunity to correct certain fields.

Beginning this year, the entire RAL process will be done through EPC. Once a Form 471 is submitted, a RAL notice will appear in that applicant's "News" feed (upper left-hand tab on the EPC screen). It appears that the applicant can propose RAL corrections essentially by reopening the Form 471 and updating selected fields. USAC must approve such corrections — and, in the process, may require additional information from the applicant — before any changes take effect.

Once the RAL process is implemented within EPC, an applicant who has already submitted a Form 471 will have to find the associated RAL. At first, this may seem a daunting task given the multitude of items listed in everyone's "News" feed. USAC's suggestion is to narrow the list by typing "Receipt Acknowledgment Letter" in the "Search news" box. Searching for the actual Form 471 number may work even better.

Workarounds for EPC System Errors:

USAC is aware of several errors in the EPC system, most of which should be corrected shortly. In the interim, there are often workarounds. Two particular errors noted by Form 471 applicants last week can be resolved as follows:

1. Some applicants participating in the Community Eligibility Program ("CEP") may notice that a CEP percentage, expressed to two decimal places, is always rounding down to the lower whole number percentage. In many cases, when multiplied by the 1.6x factor, this rounding error is immaterial (particularly for a school with 100% CEP eligibility). But occasionally, at the margin, the error can lead to a 5%, 10%, or even 20% swing in an applicant's discount rate as shown in a Form 471 as it's being drafted. Such an error does

not affect an applicant's ability to complete a draft Form 471, but we suggest waiting for a system fix before actually submitting an application with an incorrect discount rate.

2. Applicants working on Category 2 Form 471s are encountering the following message:

The information in your organization's profile is not sufficient to calculate your Category 2 Budget.

This is not a real error and can be ignored.

Consortium Application Member Lists:

As of FY 2015, the discount rate for all FRNs in an individual consortium application is calculated as the average of the discounts for the members included in that specific application. As a result, a consortium applicant may file multiple applications, each with a different discount rate based on a different subset of members. What is important is that any specific application include only those members using the services covered by that application. If a consortium tries to include members, not listed as recipients of services in at least one FRN on the application, EPC will display an error message such as the following indicating that extra members have been included and should be removed:

Error Details for Form #16 [REDACTED]

Last Validated On: 3/4/2016 4:45 AM EST

Error Key	Error Description
Invalid Consortia Members	Organization 331616 has no recipients. Please remove this relationship from the Form_471: 69
Invalid Consortia Members	Organization 331617 has no recipients. Please remove this relationship from the Form_471: 69
Invalid Consortia Members	Organization 331618 has no recipients. Please remove this relationship from the Form_471: 69

One unfortunate aspect of this error message, at least currently, is that the members to be removed are designated by internal EPC entity codes (in the form 33xxxxx) rather than by their actual member BENs. The trick is to not include any extra members from the start.

E-Rate Updates and Reminders

FY 2016 Application Window is Open:

The Form 471 application window for FY 2016 opened on February 3rd. The window is scheduled to close at 11:59 p.m. EDT on Friday, April 29, 2016. The entire application process for FY 2016 is being handled through USAC's new EPC portal with its own learning curve. Please do not wait until later in the window to file Form 470s, update pre-471 EPC applicant profile information (entity, student, connectivity, and contract data), and begin the Form 471.

As we get closer to the end of this month, applicants will begin seeing warnings that the last possible day to file a valid Form 470 for FY 2016 is April 1st. This date is significant because it is 28 days — the minimum Form 470 posting period — before the April 29th Form 471 deadline. Every year, we urge applicants not to wait until the last possible day to file a Form 470. If you do, you will have to pick your vendors, sign contracts, and complete and submit your Form 471

application on the last day of the window. With this year's EPC filing complexities, this is a recipe for disaster. When it comes to filing a Form 470 for FY 2016, remember these words:

April 1st is April Fool's Day!

File Along with Me Updates:

A USAC blog, "File Along with Me," initiated in early February, provides additional information on the application process. Links to last week's postings are provided below. You can subscribe to the blog by entering your e-mail address on the blog's [home page](#) (under the USAC logo), and confirming the resulting email.

<u>Post No.</u>	<u>Title</u>
17.	Set Your Evaluation Criteria: How To Make a Matrix
18.	Let's Talk State Master Contracts and Mini-Bids
19.	Keep Records of Everything! Plus a Note on Gifts

Middletown CPN Waiver Comments:

As noted in our previous [newsletter of March 7th](#), the Enlarged City School District of Middletown (NY) filed a [petition for a limited waiver](#) of the FCC's rules, which prohibit terminating carriers from passing the calling party number (CPN) to the called party where a privacy indicator has been triggered by the caller. Strictly enforced, CPN rules prevent schools and law enforcement agencies from identifying the source of threatening calls in a timely manner.

The FCC, which has requested comments ([DA 16-234](#)) on Middletown's petition, appears to be considering a modification of the CPN restrictions to more broadly address, with protections, the ability of other schools, school districts, and law enforcement agencies to deal with such calls. Comments are due this Wednesday, March 16th. Reply comments are due the following week on March 23rd.

Lifeline and the Homework Gap:

One of the areas of increasing concern to a number of schools, but one not addressed by E-rate, is the affordability of off-campus Internet to support one-to-one initiatives and/or residential Internet services to help students complete online-based homework assignments. Several FCC Commissioners, most notably Jessica Rosenworcel, have spoken passionately about the "homework gap" problem.

The FCC is now poised to provide at least some help to make broadband more affordable for all. In its next open meeting on March 31st, the FCC will consider an order to restructure its Low Income (Lifeline) program. Lifeline is one of the four Universal Service Fund ("USF") programs (E-rate being another). It has traditionally been used to help subsidize voice telephone services for low-income families. The proposed restructuring would allow qualifying families to apply their \$9.25 monthly subsidies, traditionally used only for voice services (wired or

wireless), to fixed or mobile broadband services (or a bundle of voice and data services). Connected Nation has provided an excellent [summary](#) of the proposed Lifeline changes.

In a related action last week, President Obama announced a [ConnectALL initiative](#) supporting the FCC's proposed Lifeline changes. The initiative also included steps to deliver digital literacy skills, increase access to affordable devices, develop a tool to support broadband planning, and involve private and philanthropic sectors in the effort.

Several aspects of the proposed Lifeline changes may eventually impact the E-rate program. In particular:

1. Similar to the restrictions on certain E-rate services, Lifeline providers must currently be certified as eligible telecommunications carriers. To expand the base of those offering eligible services, the FCC proposal would create a new "Lifeline Broadband Provider" category. Additional flexibility for Lifeline providers might set a precedent for E-rate telecommunications providers.
2. To determine whether a low-income household is eligible for a Lifeline subsidy, the FCC plans to create a third-party National Eligibility Verifier. To be eligible, a household's income must be at or below 135% of the Federal Poverty Guidelines. This is well within the 130–180% range for reduced-price lunch eligibility used for E-rate purposes. This suggests that a new source of NSLP data may become available.
3. Any increase in funding to USF programs as a whole is a concern. Lifeline payments are currently about \$1.6 billion per year, but would be expected to grow as more households take advantage of the new broadband options. The FCC's proposal would cap Lifeline payments at \$2.25 billion — a number familiar to E-rate historians — plus an inflation adjustment. An increase to this level would add over 1% to the USF contribution factor (see following article).

Proposed 2nd Quarter USF Contribution Factor:

The FCC indicated ([DA 16-266](#)) that the proposed USF contribution factor for the second quarter of 2016 will be 17.9%, only slightly lower than the historically high 18.2% of the current quarter.

The key point to note — discussed in more detail in our [newsletter of December 28, 2015](#) — is that the primary reason that the contribution factor hasn't yet risen to over 20% is that the FCC carried forward \$1.9 billion of previously unused funds into FY 2015. As a result, new USF contributions needed to cover the remaining FY 2015 demand have been well under the \$3.9 billion cap established by the FCC in December 2014. Full E-rate funding — and now potentially higher funding for the Lifeline program, discussed above — would likely raise the demand for USF funding to an unsustainable level.

USAC EPC Webinars:

USAC completed the latest of a series of webinars on EPC last week. Recordings of these webinars (and other training videos) are available in USAC's [Online Learning Library](#).

Form 486 Deadlines for March:

The Form 486 deadline for certifying the start of service (and CIPA compliance, if applicable) is 120 days from the later of the FCDL approval date or the start of service date. The remaining March deadlines (adjusted for weekends and holidays) for approved FY 2015 applications are:

Wave 25	03/15/2016
Wave 26	03/21/2016
Wave 27	03/29/2016

Schools and Libraries News Brief Dated March 11 – Three EPC Topics

The [S&L News Brief of March 11, 2016](#), discusses three separate EPC-related topics.

USAC Public School Entity Updates:

This week’s “Tip of the Week,” addressed to public school districts, is to “please help libraries and consortia by updating the information in your profile.” The reason this is so important is that the discount rate information for library and most consortium applications in FY 2016 depends upon the completeness of the NSLP data for district schools. If that data is not available, the associated libraries and consortia cannot complete their applications.

As a partial remedy for this problem — essentially a temporary fix — USAC announced that it will begin to update critical blank fields in school profiles by entering:

- Urban/rural designations (using “urban” as the default, if necessary)
- Zero (“0”) for the number of part-time and peak part-time students
- “None” for the alternative discount method
- Public/private designations

Eliminating these blanks in school profiles will permit affected libraries and consortia to move forward with their applications. Should applicants, whose profiles are affected by these changes, subsequently override USAC’s default entries, those updates will ultimately flow through to the discounts of the library and/or consortium applications.

New Form 471 Download Tool:

USAC has developed a new non-EPC tool to [download Form 471](#) data. In one sense, this is a FY 2016 version of USAC’s familiar Data Retrieval Tool (“DRT”) to be used to capture completed application data from within EPC. Compared to the DRT, it has some advantages and some disadvantages.

On the plus side, the new tool provides more detailed application data including FRN line item and recipient of service detail. It also includes connectivity data from the applicant’s EPC profile. On the flip side, the tool generates a statewide Excel file splitting the available

information into seven separate spreadsheet tabs. A few fields, such as entity attributes and Form 470 numbers, are not yet available.

Common EPC Questions, Part 4:

The last section of the most recent News Brief continues a series of EPC Q&As begun three weeks ago. The new questions are:

1. I am a library system. How do I make sure my libraries, non-instructional facilities (NIFs), and annexes are correct and complete in EPC?
2. I am a school district. How do I make sure my schools, non-instructional facilities (NIFs), and annexes are correct and complete in EPC?
3. I am a consortium. How do I make sure my list of members is correct and complete in EPC?

The short answer to all three related questions is to choose “Additional Information” from the left-hand menu, then “Related Organizations” from the “Category” dropdown, and either “Related Entities” or “Consortia Members” from the “Relationship Type” dropdown.

Newsletter information and 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 the SLD, FCC, or NMPED.

Additional New Mexico specific E-rate information is available through our Web site — <http://www.e-ratecentral.com/us/stateInformation.asp?state=NM>. Note that this site provides easy access to formatted New Mexico applicant E-rate histories via the Billed Entity Number (“BEN”) search mechanism in the upper left-hand corner. Detailed information can be obtained by “drilling down” using the links for specific funding years and individual FRNs.

For further information on E-rate, follow us on Twitter, Facebook, and LinkedIn.   

If you have received this newsletter from a colleague and you would like to receive your own copy of the New Mexico E-Rate Exchange, send an email to subscribe@e-ratecentral.com. Please include your name, organization, telephone, and e-mail address. This email address can also be used to unsubscribe.

E-Rate Central is a nationally recognized E-rate consulting firm providing complete E-rate application and processing services for applicants including a large growing base of school districts and regional education cooperatives in New Mexico (including Albuquerque, Gallup-McKinley County, Las Cruces, Santa Fe, and others).

E-Rate Central's services can be procured through a master bid awarded by REC IX or through the New Mexico Cooperative Educational Services (“CES”). For CES contract information, search for E-Rate Central at <http://www.ces.org/ces/procurement/ VendorSearch/>.

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DELIVERING CLASSROOM INTERNET
CONNECTIVITY THE NM WAY



BDCP

BROADBAND DEFICIENCIES
CORRECTION PROGRAM

