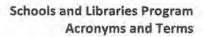


Acronym/Term	Definition
Billed Entity Number (BEN)	The unique number assigned by USAC to each billed entity (school, library, or consortium) that pays for services.
Bundled Services Cost Allocation	Beginning with FY2015, E-rate Program recipients must cost allocate non-ancillary ineligible components that are bundled with eligible products or services, such as handsets included with telephone service or netbooks bundled with Internet access, including those components that previously would have fallen within the scope of components not requiring cost allocation as described in the 2010 Clarification Order.
Category One Services	Services used to connect broadband or Internet to eligible locations, or services that provide the basic conduit access to the Internet. Telecommunications Services, Internet Access, and voice services are Category One services.
Category Two Budget	Applicants applying for Category Two services in FY2015 or FY2016 will be able to request discounts up to \$150 per student pre-discount per school, up to \$2.30 per square foot pre-discount per library, or minimum (floor) of \$9200.00 per school or library over a five-year period.
Category Two Services	Internal connections services needed to enable high-speed broadband connectivity and broadband internal connections components. Category Two includes local area networks/wireless local area networks (LAN/WLAN), eligible broadband internal connections components, basic maintenance of eligible broadband internal connections components, and managed internal broadband services.
Children's Internet Protection Act (CIPA)	A law that mandates certain Internet safety policy and filtering requirements for recipients of E-rate Program discounts for services other than telecommunications services.
Client Service Bureau (CSB)	A helpline available to assist applicants and service providers. You can reach the helpline by visiting usac.org and clicking on "Submit a Question." You can also fax us toll free at (888) 276-8736, or call us toll free at (888) 203-8100.
Commitment Adjustment (COMAD)	The process by which a funding commitment is reduced because of program rule violations.
Commitment Adjustment Letter (CAL)	This letter notifies both the applicant and the service provider of a COMAD. It contains a funding commitment report which lists the Funding Request Numbers (FRNs) affected by the COMAD.
Common Carrier	An organization recognized by a regulatory authority (such as a state public utility commission) to provide telecommunications services to all requesting parties, or an organization that holds itself out to provide such services generally to the public for a fee.
Community Eligibility Provision (CEP)	An alternative provision to the normal requirements for annual determinations of eligibility for free and reduced price meals under the National School Lunch Program. Schools must have at least 40 percent of their students directly certified to qualify for CEP. Participating schools shall calculate their student eligibility for free and reduced priced lunches by the CEP multiplier. Schools are capped at 100



Definition
percent NSLP eligibility for purposes of determining their E-rate Program discount.
The applicant conducts the process to select a service provider and order products and/or services. This process is required and must be a fair and open competitive procurement.
A consortium (plural consortia) is a group of entities that apply together for funding.
A company or individual (non-employee of the entity) selected to perform certain activities related to the application process on behalf of the applicant or service provider for a fee. A Letter of Agency (LOA) or consultant agreement must be in place before the consultant undertakes these activities.
The date the contract is awarded to the service provider and signed by the applicant. Program rules state that this must be at least 28 days after an applicant posts FCC Form 470.
The date the contract between the applicant and service provider ends
A web-based USAC tool used to access information related to applications, funding commitments, and disbursements.
A demarcation refers to the point where a service provider's network ends and where an applicant's local area network (LAN) begins.
Direct connections allow rural schools and libraries to share access to high-speed broadband services. The eligible entities must file a waiver request to the FCC if they are seeking E-rate Program support for directions.
The discount on eligible services for an entity or group of entities ranges from a low of 20 percent to a high of 90 percent and is based or a measure of poverty and urban/rural status.
The FCC Form 471 is divided into multiple blocks. In a Block 4 worksheet, the applicant lists the entities receiving services and establishes the appropriate discount level.
Starting with FY2015, all funding requests for any school or combination of schools within a school district qualifying for a single discount is determined by using a single school-district-wide discount rate.
Applicants and service providers must retain documentation related to the application for, receipt, and delivery of discounted services for at least 10 years from the last date of service delivery.
A regional public multi-service agency authorized by state statute to develop, manage, and provide services or programs to its component school districts. In some states, ESAs are called Educational Service Units (ESUs), Local Educational Agencies (LEAs), Board of Cooperative Educational Services (BOCES), or other similar designations.
Elementary and Secondary Education Act (ESEA), also known as No Child Left Behind (NCLB, 20 U.S.C. Section 7801 et seq.), provides the statutory definition of elementary and secondary schools.

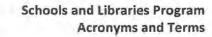




Acronym/Term	Definition
Connections Components	broadband starting in FY2015.
Eligible Entity	An entity that meets the requirements for eligibility to participate in the E-rate Program.
Eligible Maintenance of Eligible Broadband Internal Connections Components	The basic maintenance and technical support to maintain eligible broadband internal connections components starting in FY2015.
Eligible Managed Internal Broadband Services	The operations, management, and/or monitoring of eligible broadband internal connections components by a service provider starting in FY2015.
Eligible Services	Products and services that are eligible for universal service support.
Eligible Services List (ESL)	An FCC-released annual list of the products and services approved for E-rate Program funding. The FCC seeks public comment on this list every year and then issues a final list for the funding year.
End-user Equipment	Equipment located on school or library premises which staff members would use to access phone and/or Internet services: e.g., telephone handsets, cell phones, computers, and fax machines. End-user equipment is not eligible for E-rate Program discounts.
Entity Number	The unique number assigned by USAC to an entity that participates in the E-rate Program.
E-rate	The common term used in place of the Schools and Libraries Program. The E-rate Program provides discounts to schools and libraries for eligible products and services.
E-rate Modernization Order	The FCC Report and Order to modernize the E-rate Program and focus on high-speed broadband connectivity to schools and libraries (FCC 14 99).
FCC Form 470	The Description of Services Requested and Certification Form is an FCC form that schools and libraries complete to request services and establish eligibility. The completed form is posted to USAC's website for potential bidders to review, which opens the competitive bidding process for services desired that are eligible for discounts under the Erate Program. Starting with FY2015, some services do not require the posting of this form.
FCC Form 471	The Services Ordered and Certification Form is an FCC form that schools and libraries use to report services ordered and discounts requested for those services.
FCC Form 471 Filing Window	The period generally between mid-November and mid-March (prior to the start of the funding year) when forms filed are treated as having been received on the same day and are considered for funding before any other forms filed after the window closes.
FCC Form 472 (BEAR)	The Billed Entity Applicant Reimbursement Form is an FCC form that schools and libraries submit to USAC after paying for services in full, to request reimbursement from the service provider for the discount on those services.
FCC Form 473 (SPAC)	The Service Provider Annual Certification Form is an FCC form that service providers file annually to certify that they will comply with program rules and guidelines. This must be filed before USAC will pay



Acronym/Term	Definition
	invoices.
FCC Form 474 (SPI)	The Service Provider Invoice Form is an FCC form that service providers submit to request reimbursement for discounted eligible services already provided to the schools or libraries on their customer bills.
FCC Form 486	The Receipt of Service Confirmation and Children's Internet Protection Act and Technology Plan Certification Form is an FCC form that schools and libraries file to inform USAC that services have begun, to provide the status of their technology plan approval, and of CIPA compliance.
FCC Form 486 Notification Letter	This letter is issued by both the applicant and service provider to indicate that an FCC Form 486 has been successfully processed.
FCC Form 498	The Service Provider Identification Number and Contact Information Form is an FCC form that service providers must fill out in order to participate in any of the universal service programs. The form is used to collect contact, remittance, and payment information for service providers that receive universal service support.
FCC Form 499-A	The Annual Telecommunications Reporting Worksheet Form is an FCC form that telecommunications companies (whether they are <i>de minimis</i> or not) are required to submit to USAC every year by April 1, to report revenues they received from offering services.
FCC Form 499-Q	The Quarterly Telecommunications Reporting Worksheet Form is an FCC form that telecommunications companies are required to use to calculate their mandatory contributions to universal service each quarter. The forms are due to USAC on Feb. 1, May 1, Aug. 1, and Nov. 1, annually.
FCC Form 500	The Adjustment to Funding Commitment and Modification to Receipt of Service Confirmation Form is filed by schools and libraries to notify USAC of reductions to, or cancellations of, approved FRNs and/or changes to reported Service Start Dates or Contract Expiration Dates.
FCC Registration Number (FCC RN)	A 10-digit number that the FCC assigns to a business or individual that registers with the FCC. It is associated with an entity's Taxpayer Identification Number (TIN) and is required before filing the FCC Forms 499-A/Q.
Federal Communications Commission (FCC)	The U.S. government agency that regulates interstate and international communications and oversees the universal service fund. In 1997, the FCC designated USAC to be the independent not-for-profit corporation to administer the universal service fund in accordance with its rules.
Funding Commitment Decision Letter (FCDL)	A letter that contains USAC's funding decisions on an applicant's funding requests.
Funding Request Number (FRN)	A unique number that USAC assigns to each funding request in a completed FCC Form 471 application. This number can be found in an applicant's FCDL.
Funding Request Section (FCC Form 471 Block 5)	The FCC Form 471 is divided into six blocks. In a Block 5 funding request, the applicant provides details about services requested including service provider, category of service, and cost.
Funding Year (FY)	The funding year is a time during which program support is being provided. The funding year begins July 1 and ends June 30 of the

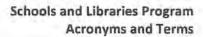




Acronym/Term	Definition
	following calendar year.
Head Start	A comprehensive child development program that serves preschoolage children and their families. Head Start facilities in some states are eligible for E-rate Program funding.
Helping Applicants to Succeed (HATS)	An outreach program established by USAC to help applicants and service providers by providing targeted customized training and outreach.
Internal Connections	A category of service on the Eligible Services List for funding years prior to 2015. Internal Connections services are eligible products, such as routers, switches, hubs, and wiring. Eligible products are located at the applicant site and must be considered a necessity to transport information to classrooms or publicly accessible areas of a library. Product eligibility does not include services that extend across a public right-of-way beyond the school or library facility. FY2005 through FY2014, under the Two-in-Five Rule, eligible entities could only receive discounts for Internal Connections in two of every five funding years. Starting in FY2015, funding for Internal Connections is limited by the entity's Category Two budget.
Internet Access	A category of service on the Eligible Services List. Internet Access services are eligible basic conduit access to the Internet. Ineligible access includes content, equipment purchases, or other services beyond basic conduit access. However, selected services that are an integral component part of an Internet access service (and other services designated as eligible by the FCC) may be eligible for discounts on interconnected VoIP, email service, and web hosting for funding years prior to 2015.
Item 21	Item 21 in the FCC Form 471 provides details on the products or services requested in FRNs that appear on the form. Starting with FY2015, this information is incorporated in the form and is not submitted separately.
Legally Binding Agreement	A written offer from the service provider and acceptance from the applicant that includes all the material terms and conditions and is legally binding.
Letter of Agency (LOA)	A Letter of Agency (LOA) authorizes a consortium leader to apply for program support on behalf of each consortium member or a consultant to conduct specified activities on behalf of an applicant or service provider.
Library Services and Technology Act (LSTA)	The LTSA, 20 U.S.C. Section 9121 et seq., (1996) provides the statutory definition of a library.
Local Area Network (LAN)	A voice, data, and/or video network that provide connections generally within an eligible school or library to other locations within the school or library.
Lowest Corresponding Price (LCP)	The lowest price that a service provider must offer (1) when submitting competitive bids and (2) when billing charges to non-residential customers who are similarly situated to a particular E-rate Program applicant (school, library, or consortium) for similar services.



Acronym/Term	Definition
Mini-bid	An evaluation process used by applicants when a state files an FCC Form 470 and signs state master contracts with more than one service provider as a result. The applicant cannot simply choose one of these service providers, but must evaluate all eligible state master contracts and demonstrate why the service provider it chooses is the most cost-effective solution.
Ministerial and Clerical Errors	Errors made in E-rate Program forms that can be corrected after the forms are submitted to USAC.
National School Lunch Program (NSLP)	This federal program provides school lunches to eligible students at a free or reduced rate.
News Brief	A USAC published weekly newsletter that provides up-to-date program information, including important dates, tips regarding the application process, and other breaking news.
Non-discount Portion	The non-discount portion (also called non-discount share) is the applicant's share of the cost of the eligible E-rate Program products and services, i.e., the cost to be paid by the applicant after the E-rate Program discount is applied.
Non-instructional Facility (NIF)	A school building without classrooms or a library building without public areas. Examples of school NIFs include administrative buildings, bus barns, and cafeteria facilities. Examples of library NIFs include administrative buildings, bookmobile garages, and interlibrary loan facilities.
Notice of Proposed Rulemaking (NPRM)	An announcement issued by the FCC to detail proposed changes to FCC rules and policies and seek public comment on the changes.
Office of Inspector General (OIG)	A division of the FCC that provides independent and objective audits and investigations relating to agency programs and operations.
Office of Management and Budget (OMB)	Part of the Executive Office of the President, OMB reviews and approves FCC forms that are used by universal service contributors and universal service program participants, contributors and service providers.
Online BEAR	The online version of FCC Form 472.
On-premise Priority 1 Equipment	Equipment owned by a service provider but located at an applicant site. This equipment can be funded as Priority 1 if it meets the conditions of the Tennessee Test.
Operational SPIN Change	A change to the SPIN featured on one or more FRNs made as a result of a change to the actual service provider.
Personal Identification Number (PIN)	A code assigned by USAC to a specific authorized person at a specific billed entity to allow online form certification.
Preferred Master Contracts	Master contracts designated by the FCC that are nationwide contracts that offer Category Two equipment.
Pricing Transparency	Provides greater visibility into pricing and technology choices by applicants. Information and pricing regarding the specific services and equipment purchased by schools and libraries shall be publicly available on USAC's website.
Priority 1 (P1)	Telecommunications services, Internet Access, and Telecommunications are known collectively as Priority 1, since they are

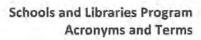




Acronym/Term	Definition
	considered primary and are funded first for funding years prior to 2015.
Priority 2 (P2)	Internal Connections and Basic Maintenance of Internal Connections are collectively known as Priority 2, since they are funded after Priority 1 services beginning with the applicants at the highest discount levels for funding years prior to 2015.
Program Integrity Assurance (PIA)	The compliance review process completed before funding commitments are made by USAC.
Public Notice (PN)	A notice issued by the FCC to notify the public of an action taken, a change made, or an upcoming event.
Quarterly Disbursement Report	A report issued by USAC to the applicant detailing all invoicing activity (BEARs and SPIs) for all funding years that occurred during the previous quarter.
Receipt Acknowledgment Letter (RAL)	Issued by USAC to both the applicant and service provider to indicate that a filed FCC Form 471 has been received before the deadline and certified. This letter allows applicants to submit ministerial and clerical corrections.
Receipt Notification Letter (RNL)	The FCC Form 470 Receipt Notification Letter (RNL) is a letter issued by USAC to notify applicants that the FCC Form 470 has been successfully posted.
Recovery of Improperly Disbursed Funds (RIDF)	An RIDF is required when there has been a COMAD but funds have already been disbursed in excess of the revised commitment amount.
Red Light Rule	A requirement that the FCC withholds action on an application, payment, and/or other requests for benefits when the universal service program participant is delinquent in non-tax debts owed to the FCC or other federal governmental agencies. This rule extends to applications for support and disbursements from the universal service fund, and requires that USAC suspend support to any company that shares a Tax Identification Number with a company that has a delinquent debt.
Red Light Status	An entity is considered in Red Light status when the Red Light Rule goes into effect (the entity is delinquent). See "Red Light Rule." USAC will not make any disbursements until the delinquency has been satisfied or payment arrangements are made. USAC takes into consideration the Red Light status of each entity at the FCC and will hold disbursements until the Red Light status is resolved.
Remand	Action taken by the FCC to return applications to USAC for further review.
Request For Proposal (RFP)	A form of solicitation for products or services that provides detailed information regarding those products or services and any additional details necessary for potential bidders to respond. Program applicants may incorporate RFPs in addition to the FCC Form 470.
Revised Funding Commitment Decision Letter (RFCDL)	A letter issued by USAC to applicants and service providers when changes to a funding commitment occur, usually as the result of a successful appeal.
Schools and Libraries (SL) Program	One of the four universal service programs administered by USAC.

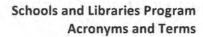


Acronym/Term	Definition
	certain applicants must undergo before funding commitments can be issued.
Selective Review Information Request (SRIR)	The request for information sent to applicants when they have been chosen for selective review.
Service End Date	The date that services will end for an FRN. USAC may adjust this date if a program violation is identified or a deadline is missed.
Service Provider	A company that participates in one of four universal service programs and provides telecommunications or Internet services, equipment, hardware, or software. Types of companies include but are not limited to: competitive access/competitive local exchange carriers (cellular, personal communications, or specialized mobile radio providers), incumbent local exchange carriers, interexchange carriers, Internet service providers, interconnected VoIP, local resellers (coaxial cable, non-traditional, operator, paging, messaging, payphone, prepaid card, private and satellite service providers), shared-tenant service providers or building local exchange carriers, SMR (dispatch), toll resellers, or wireless data providers.
Service Provider Identification Number (SPIN)	A unique number that USAC assigns to each service provider once that service provider has submitted the FCC Form 498 to USAC. Every service provider is required to have a SPIN in order to participate in any universal service programs and to receive payments from USAC.
Service Start Date	The date that services will start for an FRN. USAC may adjust this date is a program violation is identified or a deadline is missed.
Shared Discounts	Discounts calculated for a group of individual schools and/or libraries that will share a particular service. They may be simple averages or weighted averages of the discounts of the individual entities.
SPAC	See "FCC Form 473."
SPI	See "FCC Form 474."
SPIN	See "FCC Form 498" or "Service Provider Identification Number."
State Master Contract (SMC)	A contract that is competitively bid and implemented by a state government which can be used by eligible entities within the state to procure products or services, or both.
State Replacement Contract	A state master contract, filed pursuant to a state-filed FCC Form 470, which can replace an existing state master contract that expires before the end of the upcoming funding year.
Technology Plan	A plan prepared by a school or library that sets out how information technology and telecommunications infrastructure will be used to achieve educational goals, specific curriculum reforms, or library service improvements. Technology plans must be approved by a USAC-certified Technology Plan Approver. For FY2011 through FY2014, technology plans are only required for Priority 2 services. Technology plans are no longer required starting with FY2015.
Technology Plan Approval Date	The date that a USAC-certified Technology Plan Approver officially approves the technology plan (this is different from the technology plan creation date).





Definition
approve an applicant's technology plan. Approvals may also be issued electronically or posted on a website.
An agency or organization that has been certified by USAC to approve technology plans.
The date that an applicant completes at least a draft of all required elements of the USAC-certified Technology Plan Approver officially approves the technology plan (this is different from the technology plan creation approval date).
Telecommunications was added as a category of service on the Eligible Services List starting in FY2011. Telecommunications covers lit or dark fiber and certain maintenance and installation costs not provided by a telecommunications carrier. Dark fiber is eligible if the applicant lights the dark fiber immediately; however, the costs for purchasing modulating electronics necessary to light the dark fiber are not eligible.
Commonly available telecommunications services eligible for discounts include local and long distance wired telephone service; interconnected VoIP; cellular phone service, including text messaging and voicemail, and Centrex service. Digital Subscriber Line (DSL), Primary Rate Interface (PRI), T-1, T-3, and satellite services are also eligible. Telecommunications Services must be provided by a telecommunications carrier, that is, a company that offers services on a common carriage basis.
The term derives from FCC Order (FCC 99-216, released Aug. 11, 1999) that specified the various conditions that an applicant must meet for on-premise equipment to be funded as Priority 1 services.
The Two-In-Five Rule states that beginning with FY2005, eligible entities will only be able to receive E-rate Program discounts for Internal Connections Other than Basic Maintenance two out of every five funding years for FY2005 through FY2014.
A tool on USAC's website for applicants that provides the urban or rura status of an entity based on data from the 2010 U.S. Census to obtain information regarding whether they are classified as urban or rural.
An independent, not-for-profit corporation created by the FCC in 1997 to administer the four universal service programs which help provide communities across the country with access to affordable telecommunications services.
Money collected from telecommunications companies and dedicated to fulfilling the goals of universal service. Under the authority of the 1996 Telecom Act, the FCC created the universal service fund as well as the Universal Service Administrative Company (USAC), the organization charged with administering universal service. Companies make contributions to universal service based on revenues from providing international and interstate telecommunications services.
A technology that allows users to make phone calls using the same line as an Internet connection.





Acronym/Term	Definition
	wireless telephone service, etc. are voice services and are classified as Category One. Effective FY2015, support for voice services will be reduced by 20 percent a year.
Wave	This term is used for a group of funding commitment notifications that USAC issues to applicants and service providers on a given date. Waves are usually issued weekly.
Whistleblower Alert Hotline/Code 9 Call	This hotline allows members of the public to report suspected violations of program rules to USAC. These reports can be made anonymously and toll free by calling (888) 203-8100.
Wireless AccessLocal Area Network (WLAN)	A voice, data, and/or video network that provide connectivity wireless generally within an eligible school or library to other locations within the school or library. Typically, a WLAN extends an existing wired LAN.
Wide Area Network (WAN)	A voice, data, and/or video network that provides connections from within an eligible school or library to other locations beyond the school or library.