

E-rate Update to ICN Constituents

November, 2008

Changes to the Illinois Century Network (ICN) cost recovery model have had a significant and beneficial impact for ICN customers. These changes include an increase in baseline bandwidth allocations and reductions in per Megabit costs. There is an extra incentive of special interest to ICN constituents that are eligible for funding under the FCC's Universal Service Fund program known as E-rate.

Cost Recovery Update

Effective September 1, 2006, the Department of Central Management Services (CMS) and the ICN implemented a revised cost recovery model. This new model resulted in a higher baseline bandwidth allocation for primary constituents and a much lower per Megabit cost for all ICN constituents. Please refer to the ICN website, www.illinois.net, for more information regarding the Cost Recovery Policy.

An additional feature of this new model is an incremental bandwidth incentive of 3 Mbps for ICN E-rate eligible constituents that demonstrate E-rate compliance for the ICN E-rate program each year. Submission of the four required items listed below will constitute compliance, and allow the constituent to receive the additional bandwidth allocation.

What this means for the ICN and You

The ICN applies as a consortium for funding reimbursements through the E-rate program based on the network's expenditures to provide services to E-rate eligible participants. The ICN is required by the administrators of E-rate, (the Universal Service Administrative Company, or USAC), to comply with various rules related to the application process, just as is any other E-rate applicant. A significant amount of funding available to the ICN is dependent on the help and support of their constituents.

By taking a few additional steps to demonstrate E-rate compliance for the ICN E-rate program, a constituent can maximize funding for the network. This, in turn, helps the State of Illinois and the ICN continue to provide no-cost baseline bandwidth to its primary constituents and keep customer costs to a minimum.

E-rate compliance requirements

Each E-rate funding year, a number of components are required for the ICN consortium application. All E-rate eligible schools and libraries in the State of Illinois that are also participants of the ICN network comprise this consortia membership. As a point of clarification, each *individual* constituent's application to the E-rate program is their choice; however, they can still demonstrate compliance *as an ICN consortium member* regardless of that decision. Although the ICN does not require its constituents to be an individual E-rate applicant in order to participate in the network, it is highly encouraged.

To secure E-rate funding for services provided to its membership, the ICN **must** provide to USAC the following documentation and proof of qualification for funding:

Letter of Agency (LOA) – In short, this letter, required by USAC, is a formal recognition by an ICN participant that they know the ICN is procuring services on their behalf during that funding year. The letter also includes a number of certifications made by applicants as part of the traditional application process. The LOA does cover a three year period. Constituents unsure about previous submission should submit the LOA again.

FCC Form 479 – Officially entitled “Certification by Administrative Authority to Billed Entity of Compliance with the Children’s Internet Protection Act”, or the “479”, as it is commonly referred to. Recipients of Internet Access service supported by E-rate funding are required by the FCC to be in compliance with the CIPA. Some of the requirements of this act include content filtering and implementation of an Acceptable Use Policy. Please see the USAC website, www.usac.org for additional information and complete CIPA requirements. As the “consortium lead”, the ICN is required to have these forms on file as proof of this compliance by its membership. The Form 479 should be submitted for the current E-rate funding year.

National School Lunch Program - By reporting to the National School Lunch Program (NSLP) regarding Free and Reduced-Price Meal Eligibility through normal procedures with Illinois State Board of Education (ISBE), ICN constituents provide a more complete data set to be used as part of the E-rate application process. Without data from each constituent, the ICN is unable to verify that constituent’s eligibility or include that participant as part of the ICN E-rate application. An NSLP report is published by ISBE each year from data reported by NSLP sponsors. See www.isbe.net/nutrition for more information.

ICN E-rate Profile Record – Although not an E-rate program requirement, submission of this informational form is helpful for the ICN to maintain accurate records and for its constituents to communicate profile and contact information.

The above forms, and this update, are found at the E-rate Information link on the ICN website at www.illinois.net/erate. All forms should be submitted to the ICN during the September-November time frame each year.

Return address for ICN E-rate forms

CMS/ICN
Attn: E-rate forms
120 W. Jefferson St., 3rd Floor
Springfield, IL 62702