

Acronym/Term	Description
1st Demand Letter	The initial letter sent by USAC to recover funds from applicants or service providers who have committed program rule violations.
2nd Demand Letter	A follow-up letter to a 1st Demand Letter sent by USAC in an attempt to recover funds from applicants or service providers who have committed program rule violations.
Allowable Contract Date (ACD)	The Allowable Vendor Selection/Contract Date is commonly referred to as Allowable Contract Date (ACD). The ACD is the earliest date that an applicant can sign a contract for contracted services or enter into an arrangement for tariffed (T) or month-to-month (MTM) services with a service provider. This date is always 28 days from the posting of the FCC Form 470 and/or the public availability of the RFP (if one is issued), whichever is later.
alternative discount mechanisms	Schools that choose not to use the National School Lunch Program (NSLP) participation numbers to calculate their E-rate discounts may use certain federally-approved alternative mechanisms instead. These alternative discount mechanisms are not less stringent than the same measure of poverty established for the NSLP.
appeal	An appeal is a request to reconsider a USAC decision. Appeals can be made to either USAC or the FCC. Appeals must be filed within 60 days of the original USAC decision. Requests for waivers of rules must be filed directly with the FCC.
applicant	A school, library, consortium or other entity that files one or more program forms.
audit	A review of documentation and resources that verify the state of compliance with program rules.
Basic Maintenance of Internal Connections (BMIC)	One of the four categories of service. Basic Maintenance ensures the necessary and continued operation of eligible internal connections at eligible locations.
basic terminating component	A basic terminating component, which is normally located on a customer's premises, is necessary to receive an end-to-end service because it provides translation of the digital transmission using the appropriate protocols. Equipment such as channel service unit/data service units (CSU/DSUs), network interface devices, cable modems, and gateways are considered basic terminating components.
BEAR – FCC Form 472	See FCC Form 472.
BEAR Notification Letter	A BEAR (FCC Form 472) Notification Letter is sent to the service provider and the applicant after a BEAR Form has been processed by USAC.
bid	A response from a service provider (bidder) to an FCC Form 470 and/or RFP.

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billed entity number (BEN)	The unique number assigned by USAC to each billed entity (school, library, or consortium) that pays for services. See also “entity number.”
Block 4	The FCC Form 471 is divided into six blocks. In a Block 4 worksheet, the applicant lists the entities receiving services and establishes the appropriate discount level.
Block 5 (funding request)	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.
Children’s Internet Protection Act (CIPA)	A law that mandates certain Internet safety policy and filtering requirements for recipients of E-rate 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	A common carrier can be either 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 Option (CEO)	An alternative provision to the normal requirements for annual determinations of eligibility for free and reduced price meals under the National School Lunch Program.
competitive bidding process	A requirement of participating in the Rural Health Care or Schools and Libraries programs, this process must be a fair and open competitive procurement. The applicant selects a service provider and orders products or services.
consortium	A consortium (plural <i>consortia</i>) is a group of entities that band together for administrative efficiency or to obtain bulk pricing when applying for E-rate funding.
consultant	A company or individual (non-employee of the entity) selected to perform certain activities 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.
contract award date (CAD)	The date a 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 an FCC Form 470.
contract expiration date (CED)	The date the contract between the applicant and service provider ends.

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Data Retrieval Tool (DRT)	A web-based USAC tool used to access information related to applications, funding commitments, and disbursements.
demarcation or demarc	A demarcation refers to the point where a service provider’s network ends and where an applicant’s local area network (LAN) begins.
discount	The discount on E-rate 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 on a measure of poverty and urban/rural status.
Educational Service Agency (ESA)	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.
eligible entity	An elementary and/or secondary that meets the definition found in the No Child Left Behind Act of 2001, 20 U.S.C. Section 7801(18) and (38), or a library or library consortium that meets the definition found in the Library Services and Technology Act (LSTA), 20 U.S.C. Section 9121 et seq., (1996) and is eligible for assistance from a state library administrative agency under that Act.
eligible services	Products and services that are eligible for E-rate support. Eligible Services are divided into two priorities and four categories: Priority 1 includes telecommunications services, Internet access and telecommunications; Priority 2 includes Internal Connections and Basic Maintenance of Internal Connections.
Eligible Services List (ESL)	An FCC-released annual list of the products and services approved for funding by the FCC under the Schools and Libraries Program. The FCC seeks public comment on this list every 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 discounts.
entity number	The unique number assigned by USAC to an entity that participates in the Schools and Libraries (E-rate) Program.
E-rate	The common term used in place of the Schools and Libraries Program. E-rate provides discounts to schools and libraries for eligible products and services.
FCC Form 470	The Description of Services Requested and Certification Form is filed by schools and libraries 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 eligible for discounts under the Schools and Libraries (E-rate) Program.
FCC Form 471	The Services Ordered and Certification Form is filed by applicants to report services ordered and discounts requested for those services.

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FCC Form 471 Filing Window	The period generally between mid-November and mid-February, (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 (BEAR) Form is filed by the applicant after paying for services in full to request reimbursement for the discount on those services.
FCC Form 473 (SPAC)	The Service Provider Annual Certification (SPAC) Form is filed annually by the service provider to certify that the service provider will follow program rules and guidelines. This form must be filed before USAC will pay invoices.
FCC Form 474 (SPI)	The Service Provider Invoice (SPI) Form is filed by the service provider to request reimbursement for discounts already provided to billed entities on customer bills.
FCC Form 486	The Receipt of Service Confirmation Form is filed by applicants to inform USAC that services have begun and provide the status of the applicant's 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 SPIN and Contact Information Form must be filed by service providers 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 filed annually by companies to report revenue information which is used to calculate mandatory contributions to the USF, TRS, NANP, and FCC. This form is due April 1, annually.
FCC Form 499-Q	The Quarterly Telecommunications Reporting Worksheet Form is filed annually by <i>non-de minimis</i> companies to report quarterly revenue which is used to calculate mandatory contributions to the USF. These forms are due to USAC February 1, May 1, August 1, and November 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 FCC Forms 499-A/Q.
Federal Communications Commission (FCC)	A U.S. government agency that regulates interstate and international communications and oversees the universal service fund (USF). In 1997, the FCC designated USAC to be the independent not-for-profit corporation to administer the USF in accordance with its rules.
Funding Commitment Decision Letter (FCDL)	A letter that contains USAC's funding decisions on an applicant's funding requests.

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Funding Request Number (FRN)	A number assigned by USAC to each FCC Form 471 Block 5 Discount Funding Request.
funding year	The funding year begins July 1 and ends June 30 of the following calendar year. For example, Funding Year (FY) 2010 began July 1, 2010, and ended June 30, 2011.
Head Start	A comprehensive child development program that serves preschool-age children and their families. Head Start facilities in some states are eligible for E-rate 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	Internal Connections include products such as routers, switches, hubs, and wiring. Eligible components of Internal Connections are located at the applicant site and must be necessary to transport information to classrooms or publicly accessible areas of a library. Internal Connections do not include services that extend across a public right-of-way beyond the school or library facility. Starting with FY2005, under the Two-in-Five Rule, eligible entities can only receive discounts for Internal Connections in two of every five funding years.
Internet access	Applicants can apply for discounts on basic conduit access to the Internet, but not on 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.
Item 21 Attachment	The Item 21 Attachment to FCC Form 471 provides details on the products or services requested in FRNs that appear on the form.
Letter of Agency (LOA)	A Letter of Agency (LOA) authorizes a consortium leader to apply for E-rate discounts 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 charges to non-residential customers who are similarly situated to a particular E-rate applicant (school, library, or consortium) for similar services.
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.

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ministerial and clerical errors	Errors made in E-rate forms that can be corrected after the forms are submitted to USAC.
National School Lunch Program (NSLP)	This program provides school lunches to eligible students at a free or reduced rate.
News Brief	A weekly newsletter that provides up-to-date program information, including important dates, tips regarding the application process, and other breaking news.
No Child Left Behind Act	The No Child Left Behind Act, 20 U.S.C. Section 7801 et seq., provides the statutory definition of elementary and secondary schools.
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 products and services, i.e., the cost to be paid by the applicant after the E-rate 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 to a specific authorized person at a specific billed entity to allow online form certification.
Priority 1 (P1)	Telecommunications services, Internet access and telecommunications are known collectively as Priority 1, since they are considered primary and are funded first.
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.
Program Integrity Assurance (PIA)	The compliance review process completed before funding commitments are made by USAC.

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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 to allow ministerial and clerical corrections.
Receipt Notification Letter (RNL)	The FCC Form 470 Receipt Notification Letter (RNL) is 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 Program (SL)	A USAC program that administers the Schools and Libraries support mechanism, commonly known as E-rate.
Selective Review	A detailed compliance review in addition to the normal PIA review that 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.

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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 nine-digit number that USAC assigns service providers upon submittal of FCC Form 498. 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 if a program violation is identified or a deadline is missed.
service substitution	A change in the products and/or services originally requested in an FRN.
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 – FCC Form 473	See FCC Form 473.
SPI – FCC Form 474	See FCC Form 474.
SPIN – FCC Form 498	See FCC Form 498.
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. Beginning with Funding Year (FY) 2011, technology plans are only required for Priority 2 services.
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).

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technology plan approval letter	The letter issued by a USAC-certified Technology Plan Approver to approve an applicant’s technology plan. Approvals may also be issued electronically or posted on a website.
Technology Plan Approver (TPA)	An agency or organization that has been certified by USAC to approve technology plans.
technology plan creation date	The date that a technology plan was first written or prepared. It is not the date that the final version of the plan was approved.
telecommunications	<p>“Telecommunications” was added as a category of service on the Eligible Services List starting in Funding Year (FY) 2011. “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.</p> <p>“Telecommunications” does not appear as a separate category of service on program forms. We suggest that applicants considering these services list them as both telecommunications services and Internet access (see telecommunications services) on the FCC Form 470 to maximize the number and type of bids they receive. Applicants would then apply for discounts on the FCC Form 471 under “Telecommunications Services” if the fiber is provided by a telecommunications carrier,. If not, applicants would apply under the “Internet Access” section.</p>
telecommunications services	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 telecommunications services on a common carriage basis.
Tennessee Test	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.
Two-in-Five Rule	The Two-In-Five Rule states that beginning with Funding Year (FY) 2005, eligible entities will only be able to receive E-rate discounts for “Internal Connections Other than Basic Maintenance” two out of every five funding years.
Universal Service Administrative Company (USAC)	The independent not-for-profit corporation created by the FCC in 1997 to administer the four universal service support mechanisms (programs) which help provide communities across the country with access to affordable telecommunications services.
universal service fund (USF)	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 USF as well as the Universal Service Administrative Company (USAC), the organization charged with administering

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	the USF. Companies make contributions to the USF based on revenues from providing international and interstate telecommunications services.
Voice over Internet Protocol (VoIP)	A technology that allows users to make phone calls using the same line as an Internet connection.
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.
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.