

Updated Guidance for Filing Form 470s for Internet Access

~ Applies to All Form 470s Filed on or After Aug. 26, 2017 ~

~ Read Carefully to Determine if You Must Refile ~

Beginning at the end of August 2017, USAC significantly modified the Form 470 drop-down choices as they relate to Internet Access. It is extremely important that applicants review this message to ensure they have selected or will be selecting the accurate drop-down choice to be compliant with E-rate's competitive bidding requirements, as well as are careful not to use certain language in the narrative box that may put their E-rate funding at risk.

Basically, the new Internet definitions are:

The **"INTERNET ACCESS AND TRANSPORT BUNDLED"** service Form 470 drop down option can only be used for a bundled Internet service that is delivered over a **non-fiber** transport circuit. This would be most commonly used if you are seeking cable modem, DSL or similar non-fiber transport for Internet Access.

The **"LEASED LIT FIBER"** service drop down option is now used for two things: (1) Leased Lit Fiber transport only (such as for building-to-building connections), OR (2) Internet Access service that is delivered over a leased lit fiber circuit. Applicants that want Internet delivered over fiber should NEVER also select the "Internet Access and Transport Bundled" Form 470 option. You should just select the Leased Lit Fiber option.

The following chart provides a clear outline of which Form 470 Internet option to select, based on the actual service you are seeking.

HOW TO POSTA FORM 470 FOR INTERNET ACCESS FOR FY 2018		
If You Want...	Select This 470 Drop Down Option...	Notes for What To and What NOT To Include in the Narrative Explanation
Internet Access bundled with via FIBER transport	LEASED LIT FIBER	Explain that you are seeking proposals for ## amount of Internet Access, delivered over a fiber transport circuit. Do NOT also select the "Internet and Transport Bundled" drop-down.
Internet Access including transport that is NOT fiber (for example, microwave, cable modem, DSL)	INTERNET ACCESS AND TRANSPORT BUNDLED	Do NOT state a preference for any of the examples (cable modem, etc) unless you include the words "or Equivalent."
Internet Access with transport, and you don't care or don't know whether the transport circuit is a fiber or non-fiber circuit	LEASED LIT FIBER – and – INTERNET ACCESS & TRANSPORT BUNDLED (select both drop downs)	Do NOT state a preference for the type of circuit.
Stand-alone, Commodity Internet Access (no bundled transport)	INTERNET ACCESS: ISP SERVICE ONLY	Explain that you are seeking proposals for ## amount of Internet Access that does not contain transport.

IN SUM:

- You should post **ONLY** for LEASED LIT FIBER for a bundled Internet solution when you are **ONLY** interested in receiving bids for bundled Internet delivered over a fiber-based transport circuit. If you only post for LEASED LIT FIBER and receive bids and sign a contract for non-fiber based Internet bundled with transport, this may be a competitive bidding violation and potentially will be denied. (In brief, you cannot request one type of service (e.g., fiber) on your 470 and then select another type of service (e.g., non-fiber.) on your 471.)
- Likewise, if you select INTERNET ACCESS AND TRANSPORT BUNDLED, you are not allowed to then accept a bundled Internet service that is delivered over fiber unless you also selected the Leased Lit Fiber drop down and then evaluated all proposals submitted. Requesting a fiber based bundled Internet Access service on your Form 471 (when only posting a 470 for Internet/Transport Bundled) likely would be considered a competitive bidding violation and potentially will be denied.
- If you are interested in seeking bids for a bundled Internet solution over **EITHER** fiber or non-fiber transport, then you should post for both LEASED LIT FIBER and INTERNET BUNDLED WITH TRANSPORT, and explain in the Form 470 narrative that you are seeking Internet Access proposals for certain bandwidth levels. **Important:** You are not allowed to state in the narrative that you have a preference for a fiber or non-fiber type of transport circuit or service. Stating a preference likely would be considered a competitive bidding violation and potentially will be denied.

For applicants who already submitted their Form 470 for Internet Access service and may not have followed these guidelines, I strongly encourage you to re-post your Form 470 and thus re-start your 28 day bidding period. This is the only 100% foolproof way to be confident that your Form 470 is compliant with the new guidance. If your Form 470 was filed before August 26, 2017 (including those filed in previous years for which you are still under a multi-year contract for FY 2018), you are grandfathered under the old definitions and do NOT have to refile your Form 470.

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