

Operational SPIN Changes: Joining the Alliance for Competitive Telecommunications (ACT) While Preserving E-Rate Funding

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Operational SPIN Changes

If you want your district to enjoy savings from the ACT program before July 1, 2006, you will need to complete an “Operational SPIN Change.” An operational SPIN change is a letter notifying the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) of a change in service provider for a particular FRN.

When is a SPIN Change Allowed?

In the “Copan” Order (FCC 00-100), the FCC established the criteria under which an E-Rate applicant can switch vendors during a funding year. The only criteria are:

1. The SPIN change is allowed under any state and local procurement rules,
2. The SPIN change is allowable under the terms of the contract, if any, between the applicant and its original service provider.
3. The applicant has notified its original service provider of its intent to change service providers.

Note that for the E-Rate program, there is no competitive requirement for a SPIN change. As long as a proper competition was conducted (*i.e.*, a Form 470 was posted) before the

contract with the original service provider was signed, an applicant can switch service providers without posting another Form 470 or seeking bids.

Steps for Completing an Operational SPIN Change

1. Notify your existing carrier that you are switching.
2. Agree with XTel on a date for the cutover; try to make it the first day of the month.
3. Complete an operational SPIN change request (see the instructions in the next section).
4. Fax or mail the operational SPIN change request to the SLD.
5. Receive a new Funding Commitment.
6. Complete a new Form 486.

The Operational SPIN Change Request

The actual operational SPIN change request is a letter to the SLD. The letter can take any form, though there are a number of required pieces of information. To make the process easier, On-Tech has created a template for you at:

www.on-tech.com/act.html

The template is available in two forms: a PDF file to be printed and filled in by hand, or a Word file to be downloaded, completed in Word, and printed. Whichever template you choose, print it on district letterhead.

To complete the request, fill in all the blanks on the template. If you have questions, you can get general information on the SLD Web site:

www.sl.universalservice.org/reference/OperationalSpin.asp

For specific questions, you can contact the SLD or On-Tech.

Once you have completed the request, sign it and fax or mail it to the address or fax number on the template.

Splitting Services within an FRN

In some cases, your district has a single funding request for telecommunications services that you want to switch to XTel, and other services that you want to leave with your current carrier. This situation is not foreseen in the standard instructions for an FRN switch, but it can be done. You must modify the template in order to supply the SLD with the expected cost from each company after the switch. Please contact On-Tech for more information on this situation.

When to File an Operational SPIN Change Request

The SLD recommends that you file as soon as you decide to switch, before the change is actually made. This is good advice, since the SPIN change can take months, and then

approval of the Form 486 can take months, and you can't get any funding until both those are done.

The limits on when you can file are much more lenient. You can file a request any time after the funding commitment and before the last day to invoice. For telecommunications services, the last day to invoice is 120 days after the end of the funding year. So for the current (2004-2005) school year, the last day to file a SPIN change request is October 28, 2005.

Note that there is a period when you cannot file an operational SPIN change: after filing of the Form 471 but before receiving the Funding Commitment Decision Letter. So if you have not received a decision on your 2005-2006 funding requests, you should wait until you receive the Funding Commitment Decision Letter, then file the operational SPIN change request.

February 25, 2006

Operational SPIN Change
Schools and Libraries Division
Box 125 — Correspondence Unit
80 South Jefferson Road
Whippany, New Jersey 07981
Fax: (973) 599-6526

The _____ School District hereby requests an Operational SPIN Change. The district has transferred regional toll and long distance telephone service to a different vendor. A description of the change requested is below.

I certify that (1) all SPIN changes requested in this letter are allowed under all applicable state and local procurement rules, (2) the SPIN changes are allowable under the terms of the contract, if any, between the applicant and its original service provider, and (3) the applicant has notified its original service provider of its intent to change service providers.

Sincerely,

Signature: _____

Name: _____

Title: _____

1. Billed Entity Number _____

2. Applicant Name _____

3. Funding Request Number (FRN) _____

4. Form 471 Application Number _____

5. Applicant Contact _____

- 6. Applicant Phone _____
- 7. Applicant E-mail address _____
- 8. Original SPIN _____
- 9. Original Service Provider _____
- 10. Original Service Provider Contact _____
- 11. Original Service Provider Phone _____
- 12. Original Service Provider E-mail address _____
- 13. New SPIN 143010147
- 14. New Service Provider XTel Communications
- 15. New Service Provider Contact Don Flynn
- 16. New Service Provider Phone 856-596-4000
- 17. New Service Provider E-mail address dflynn@xtel.net
- 18. Has the original service provider supplied any services under this funding request? Yes / No
(If yes, complete items a-d below.)
 - a. MONTHLY PRE-DISCOUNT AMOUNT for original service provider _____
 - b. MONTHLY PRE-DISCOUNT AMOUNT for new service provider _____
 - c. EFFECTIVE DATE OF CHANGE _____
 - d. LAST DAY OF SERVICE for new service provider 06/30/_____