

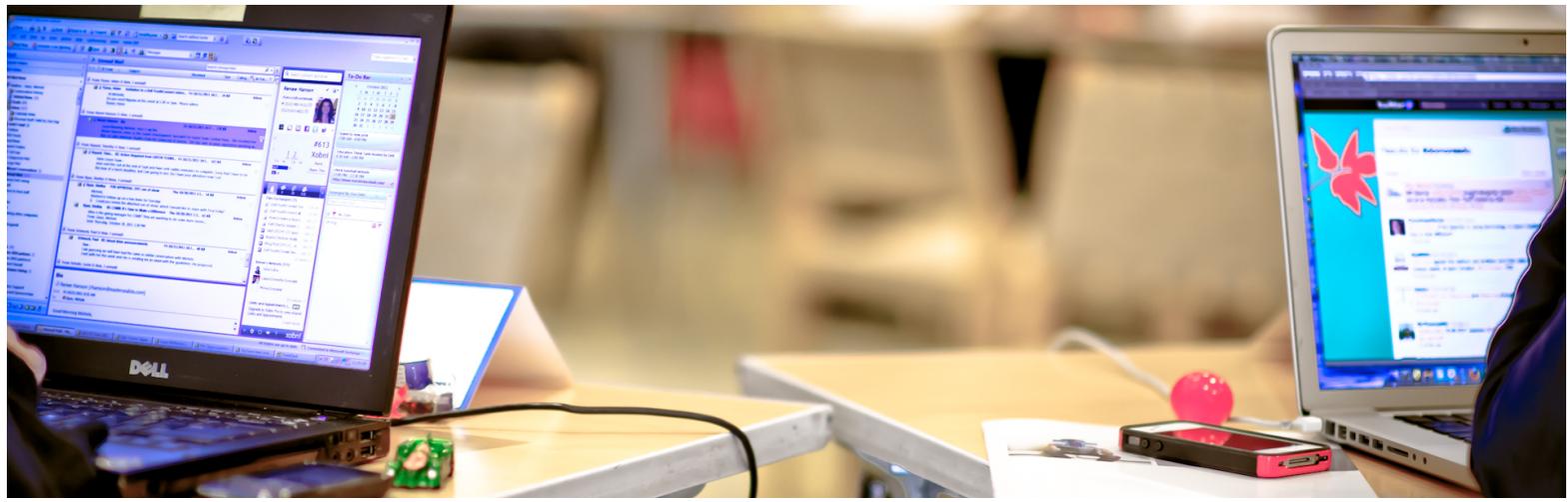
E-Rate Eligible Service List: FY 2015

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Funding Categories:

- **Category 1:**
 - Telecommunications and Internet Access Services
 - All 'services' -- nothing that is purchased
 - All eligible requests filed by application deadline likely to be funded, regardless of discount level
- **Category 2:**
 - Internal Connections and Basic Maintenance of IC
 - If funding remains after Priority 1 funding has been committed, funds are then committed to neediest applicants (90% discount level), then to others in order of discount until funds are exhausted

Category One:

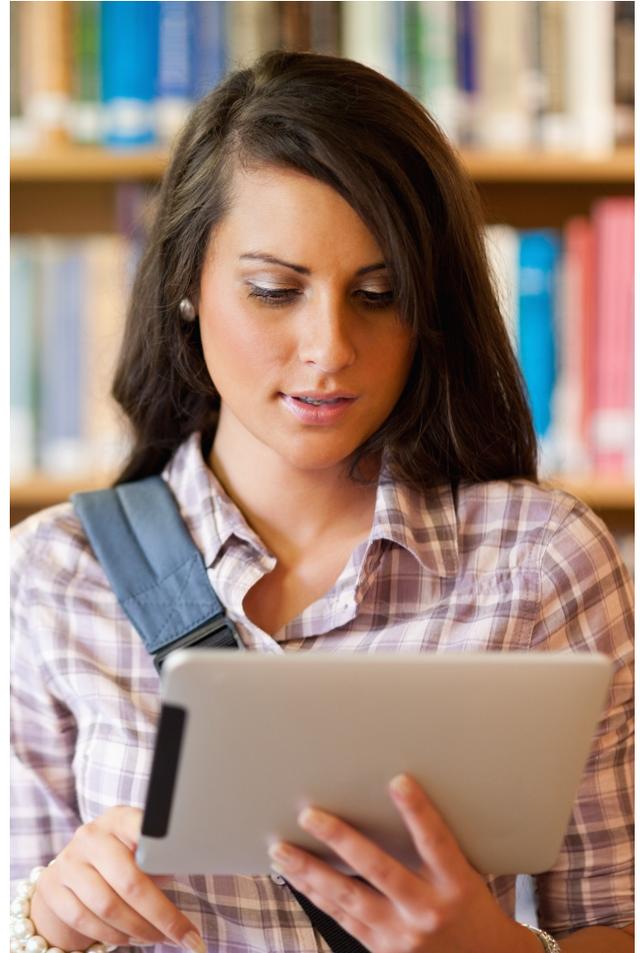
Digital transmission services and Internet access services

Digital transmission services and Internet access services are eligible in Category One. These services include:

- Asynchronous Transfer Mode (ATM)
- Broadband over Power Lines
- Cable Modem
- Digital Subscriber Line (DSL)
- DS-1 (T-1), DS-3 (T-3), and Fractional T-1 or T-3
- Ethernet
- Fiber (Lit and Dark)
- Frame Relay
- Integrated Services Digital Network
- Multi-Protocol Label Switching (MPLS)
- OC-1, OC-3, OC-12, OC-n
- Satellite Service
- Switched Multimegabit Data Service
- Telephone dial-up
- Wireless services (e.g., microwave)

Data plans and air cards for mobile devices are eligible only in instances when the school or library seeking support demonstrates that the individual data plans are the most cost-effective option for providing internal broadband access for mobile devices as required in the *E-rate Modernization Order*.

Off-campus use, even if used for an educational purpose, is ineligible for support and must be cost allocated out of any funding request.



Eligible voice services

Eligible voice services are subject to an annual 20 percentage point phase down of E-rate support beginning in funding year 2015, as described in the E-rate Modernization Order. The reduced discount rate for voice services will apply to all applicants and all costs for the provision of telephone services



and circuit capacity dedicated to providing voice services including:

- Centrex
- Interconnected voice over Internet protocol (VoIP)
- Local, long distance, and 800 service, e.g., a toll-free telephone number for students to contact school regarding questions about homework
- Plain old telephone service (POTS)
- Radio loop
- Satellite telephone service
- Shared telephone service (only the portion of the shared services relating to the eligible use and location may receive discounts)
- Wireless telephone service including cellular voice and excluding data and text messaging

Eligibility limitations for certain Category One services:

Fiber – E-rate support is available for leased lit and dark fiber as described in the Schools and Libraries Sixth Report and Order (FCC 10-175) and the subsequent “Frequently Asked Questions” (DA 10-2356).

- Leased Lit Fiber – Monthly charges, special construction, and maintenance charges are eligible. When lit fiber is leased as a Category One service, modulating electronics can be included as a part of that eligible service.
- Leased Dark Fiber – Within the eligible entity’s property line, maintenance and special construction costs to connect the fiber to the eligible entity’s facilities are eligible. Beyond the eligible entity’s property line, special construction charges are not eligible, but monthly charges and maintenance provided as a component of leased dark fiber to maintain reliable operation are eligible. Re-routing of fiber is considered construction, not maintenance. If other customers are served by the leased dark fiber, only the pro rata costs of maintenance incurred by the eligible entity will be eligible for E-rate support. The purchase and ownership of modulating electronics associated with lighting dark fiber and modulating electronics on applicant-leased dark fiber leaving the eligible entity’s premises are not eligible.
- IRUs – An Indefeasible Rights of Use (IRU) purchase arrangement will be considered a lease of dark fiber for E-rate program purposes. If the IRU contains significant upfront charges, the charges may need to be amortized.

Internet access – Eligible Internet access may include features such as basic firewall protection, domain name service, and dynamic host configuration when these features are provided as a standard component of a vendor’s Internet access service. Firewall protection may not be provided by a vendor other than the Internet access provider and may not be priced out separately. Examples of items that are ineligible components of Internet access include applications, content, e-mail, and equipment such as computers, laptops, tablets, and all other end-user devices.

Wireless services and wireless Internet access services –Managed internal broadband services, such as managed Wi-Fi, are eligible only for Category

Two support.

Category 2:

Eligible Broadband Internal Connections Components

- Access points used in a local area network (LAN) or wireless local area network (WLAN) environment (such as wireless access points)
- Antennas, cabling, connectors, and related components used for internal broadband connections
- Caching
- Firewall services and components
- Switches
- Routers
- Racks
- Uninterruptible Power Supply (UPS)/Battery Backup
- Wireless controller systems
- Software supporting each of the components on this list used to distribute high-speed broadband throughout school buildings and libraries



Notes: (1) Functionalities listed above that can be virtualized in the cloud, and equipment that combines eligible functionalities, like routing and switching, are also eligible.

(2) A manufacturer's multi-year warranty for a period up to three years that is provided as an integral part of an eligible component, without a separately identifiable cost, may be included in the cost of the component.

(3) For funding year 2015, caching is defined as a method that stores recently accessed information. Caching stores information locally so that the information is accessible more quickly than if transmitted across a network from a distance. A caching service or equipment that provides caching, including servers necessary for the provision of caching, is eligible for

funding.

Eligible Managed Internal Broadband Services

- Services provided by a third party for the operation, management, and monitoring of eligible broadband internal connections components are eligible managed internal broadband services (e.g., managed Wi-Fi).
- E-rate support is limited to eligible expenses or portions of expenses that directly support and are necessary for the broadband connectivity within schools and libraries. Eligible expenses include the management and operation of the LAN/WLAN, including installation, activation and initial configuration of eligible components, and on-site training on the use of eligible equipment.
- In some managed services models, the third party manager owns and installs the equipment and school and library applicants lease the equipment as part of the managed services contract. In other cases, the school or library may own the equipment, but have a third party manage it for them.

Basic Maintenance of Eligible Broadband Internal Connections Components

E-rate support is available for basic maintenance and technical support appropriate to maintain reliable operation when provided for an eligible broadband internal connections component.

The following basic maintenance services are eligible:

- Repair and upkeep of eligible hardware
- Wire and cable maintenance
- Configuration changes
- Basic technical support including online and telephone based technical support
- Software upgrades and patches including bug fixes and security patches

Eligibility limitations for managed internal broadband services –

The equipment eligible for support as part of a managed internal broadband service may include only equipment listed as broadband internal connections component above. Upfront charges that are part of a managed service contract are eligible for E-rate support except



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to the extent that the upfront charges are for any ineligible internal connections components (e.g., servers other than those that are necessary to provide caching), which, if included in the contract, must be cost, allocated out of any funding request.

Eligibility limitations for basic maintenance – Basic maintenance is eligible for support only if it is a component of a maintenance agreement or contract for eligible broadband internal connections components. The agreement or contract must specifically identify the eligible components covered, including product name, model number, and location. Support for basic maintenance will be paid for the actual work performed under the agreement or contract.

Basic maintenance does not include:

- Services that maintain ineligible equipment
- Upfront estimates that cover the full cost of every piece of eligible equipment
- Services that enhance the utility of equipment beyond the transport of information, or diagnostic services in excess of those necessary to maintain the equipment's ability to transport information
- Network management services, including 24-hour network monitoring
- On-site technical support (i.e., contractor duty station at the applicant site) unless applicants present sufficient evidence of cost-effectiveness
- Unbundled warranties

Miscellaneous:

As described below, various miscellaneous services associated with the eligible services and components above are eligible for support. Applicants should request miscellaneous services in the same category as the associated service being obtained or installed.

Fees:

Fees and charges that are a necessary component of an eligible product or service are eligible including:

- Change fees
- Contingency fees are eligible if they are reasonable and a regular business practice of the service provider. Contingency fees will be reimbursed only if the work is performed.
- Freight assurance fees
- Lease fees to rent or lease eligible components
- Per diem and/or travel time costs are eligible only if a contract with a vendor for the eligible product or services specifically provides for these costs
- Shipping charges
- Taxes, surcharges, and other similar, reasonable charges incurred in obtaining an eligible product or service are eligible. This includes customer charges for universal service fees, but does not include additional charges for universal service administration.

Installation, activation, and initial configuration:

Installation, activation, and initial configuration of eligible components are eligible. These services may include:

- Basic design and engineering costs if these services are provided as an integral component of the installation of the relevant services
- Basic project management costs if these services are provided as an integral component of the installation of the relevant services
- On-site training is eligible as a part of installation services but only if it is basic instruction on the use of eligible equipment, directly associated with equipment installation, and is part of the contract or agreement for the equipment. Training must occur coincidentally or within a reasonable time after installation.