

# Exhibit 1 - USAC Appeal Denial FY 2014



Universal Service Administrative Company  
Schools & Libraries Division

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## Administrator's Decision on Appeal – Funding Year 2014-2015

May 21, 2018

Michelle Harken  
CSM, Inc.  
28459 S. Chrisman Road  
Tracy, CA 95304

Re: Applicant Name: RIVER SPRINGS CHARTER SCHOOL  
Billed Entity Number: 16038751  
Form 471 Application Number: 965185  
Funding Request Number(s): 2657760, 2658045, 2658084  
Your Correspondence Dated: October 27, 2017

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2014 Notification of Commitment Adjustment Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision. If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 2657760, 2658045, 2658084  
Decision on Appeal: **Denied**  
Explanation:

- The commitment for the funding requests was rescinded in full. During review, it was determined that the funding was provided for off campus use which is an ineligible service. FCC rules provide that funding may be approved only for eligible products and/or services. The USAC web site contains a list of eligible products and/or services. In your appeal, you did not show that USAC's determination was incorrect. Consequently, your appeal is denied.
- FCC rules provide that funding may be approved only for eligible products and services. *See* 47 C.F.R. secs. 54.502. The USAC website contains a list of eligible products and services. *See* Eligible Services List posted in the Reference Area of the SLD section of the USAC website. FCC rules further require that if 30% or more of the applicant's funding request includes ineligible products

and/or services, then the funding request must be denied, otherwise the funding request will be reduced accordingly. *See* 47 C.F.R. sec. 54.504(b). The FCC's Aiken County Public Schools Order directed USAC to permit the applicant 15 calendar days from the date of receipt of notice in writing by USAC to revise its funding request to remove the ineligible services or allow the applicant to provide additional documentation to show why the services are eligible. *See* Requests for Review of the Decisions of the Universal Service Administrator by Aiken County Public Schools, Aiken, South Carolina, et al., Schools and Libraries Universal Service Support Mechanism, File Nos. SLD-397612, et al., CC Docket No. 02-6, Order, 22 FCC Rcd 8735, FCC 07-61 para. 11 (May 8, 2007).

Since your appeal was denied in full, dismissed or cancelled, you may file an appeal with the FCC. Your appeal must be postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found under the Reference Area/"Appeals" of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division  
Universal Service Administrative Company

# Exhibit 2 - Notification of Improperly Disbursed Funds Recovery Letter

## FRNs 2658084, 2658045



Schools and Libraries Program

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### Notification of Commitment Adjustment Letter

Funding Year 2014: July 1, 2014 - June 30, 2015

August 29, 2017

Leilani Weiss  
RIVER SPRINGS CHARTER SCHOOL  
43466 Business Park Drive  
Temecula, CA 92590

Re: Form 471 Application Number:	965185
Funding Year:	2014
Applicant's Form Identifier:	RiverSprings471Y17
Billed Entity Number:	16038751
FCC Registration Number:	0016127813
SPIN:	143000677
Service Provider Name:	Verizon Wireless (Cellco Partnership)
Service Provider Contact Person:	Stacey Wallop

Our routine review of Schools and Libraries Program (SLP) funding commitments has revealed certain applications where funds were committed in violation of SLP rules.

In order to be sure that no funds are used in violation of SLP rules, the Universal Service Administrative Company (USAC) must now adjust your overall funding commitment. The purpose of this letter is to make the required adjustments to your funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the applicant is responsible for all or some of the violations. Therefore, the applicant is responsible to repay all or some of the funds disbursed in error (if any).

This is NOT a bill. If recovery of disbursed funds is required, the next step in the recovery process is for USAC to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of that letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see <https://www.fcc.gov/encyclopedia/red-light-frequently-asked-questions>.

TO APPEAL THIS DECISION:

If you wish to appeal the Commitment Adjustment Decision indicated in this letter to USAC, your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Number(s) (FRNs) you are appealing. Your letter of appeal must include the
  - Billed Entity Name,
  - Form 471 Application Number,
  - Billed Entity Number, and
  - FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal including any correspondence and documentation.
4. If you are an applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are a service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

We strongly recommend that you use one of the electronic filing options. To submit your appeal to USAC by email, email your appeal to [appeals@sl.universalservice.org](mailto:appeals@sl.universalservice.org) or submit your appeal electronically by using the "Submit a Question" feature on the USAC website. USAC will automatically reply to incoming emails to confirm receipt.

To submit your appeal to us by fax, fax your appeal to (973) 599-6542.

To submit your appeal to us on paper, send your appeal to:

Letter of Appeal  
Schools and Libraries Program - Correspondence Unit  
30 Lanidex Plaza West  
PO Box 685  
Parsippany, NJ 07054-0685

For more information on submitting an appeal to USAC, see "Appeals" in the "Schools and Libraries" section of the USAC website.

## FUNDING COMMITMENT ADJUSTMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Adjustment Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from your application for which adjustments are necessary. See the "Guide to USAC Letters" posted at <http://www.usac.org/sl/tools/samples.aspx> for more information on each of the fields in the Report. USAC is also sending this information to your service provider(s) for informational purposes. If USAC has determined the service provider is also responsible for any rule violation on the FRN(s), a separate letter will be sent to the service provider detailing the necessary service provider action.

Note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Review the Funding Commitment Adjustment Explanation in the attached Report for an explanation of the reduction to the commitment(s). Please ensure that any invoices that you or your service provider(s) submits to USAC are consistent with SLP rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the applicant is responsible for repaying.

Schools and Libraries Program  
Universal Services Administrative Company

cc: Stacey Wallop  
Verizon Wireless (Cellco Partnership)

**Funding Commitment Adjustment Report for  
Form 471 Application Number: 965185**

Funding Request Number:	2658045
Services Ordered:	TELCOMM SERVICES
SPIN:	143000677
Service Provider Name:	Verizon Wireless (Cellco Partnership)
Contract Number:	MTM
Billing Account Number:	
Site Identifier:	16038751
Original Funding Commitment:	\$148,204.17
Commitment Adjustment Amount:	\$148,204.17
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$0.00
Funds to be Recovered from Applicant:	\$0.00
Funding Commitment Adjustment Explanation:	

During a review, it was determined that the funding commitment for this request must be rescinded in full. Funding was provided for the following ineligible items: ineligible service-off campus use. The pre-discount cost associated with these items is \$205,839.12. At the applicants 72% percent discount rate, this resulted in an improper commitment of \$148,204.17. FCC rules provide that funding may be approved only for eligible products and/or services. The USAC web site contains a list of eligible products and/or services. See the web site, <http://www.usac.org/sl/applicants/beforeyoubegin/eligible-services-list.aspx> for the Eligible Services List. Therefore, USAC has determined that the applicant is responsible for the rule violation. Accordingly, the commitment has been rescinded in full.

Funding Request Number: 2658084  
Services Ordered: INTERNET ACCESS  
SPIN: 143000677  
Service Provider Name: Verizon Wireless (Cellco Partnership)  
Contract Number: MTM  
Billing Account Number:  
Site Identifier: 16038751  
Original Funding Commitment: \$256,831.17  
Commitment Adjustment Amount: \$256,831.17  
Adjusted Funding Commitment: \$0.00  
Funds Disbursed to Date \$0.00  
Funds to be Recovered from Applicant: \$0.00  
Funding Commitment Adjustment Explanation:

During a review, it was determined that the funding commitment for this request must be rescinded in full. Funding was provided for the following ineligible items: ineligible service-off campus use. The pre-discount cost associated with these items is \$356,709.96. At the applicants 72% percent discount rate, this resulted in an improper commitment of \$256,831.17. FCC rules provide that funding may be approved only for eligible products and/or services. The USAC web site contains a list of eligible products and/or services. See the web site, <http://www.usac.org/sl/applicants/beforeyoubegin/eligible-services-list.aspx> for the Eligible Services List. Therefore, USAC has determined that the applicant is responsible for the rule violation. Accordingly, the commitment has been rescinded in full.

Stacey Wallop  
Verizon Wireless (Cellco Partnership)  
One Verizon Way  
Basking Ridge, NJ 07920





**Notification of Commitment Adjustment Letter**

**Funding Year 2014: July 1, 2014 - June 30, 2015**

August 29, 2017

**Leilani Weiss  
RIVER SPRINGS CHARTER SCHOOL  
43466 Business Park Drive  
Temecula, CA 92590**

**Re: Form 471 Application Number: 965185  
Funding Year: 2014  
Applicant's Form Identifier: RiverSprings471Y17  
Billed Entity Number: 16038751  
FCC Registration Number: 0016127813  
SPIN: 143000677  
Service Provider Name: Verizon Wireless (Cellco Partnership)  
Service Provider Contact Person: Stacey Wallop**

Our routine review of Schools and Libraries Program (SLP) funding commitments has revealed certain applications where funds were committed in violation of SLP rules.

In order to be sure that no funds are used in violation of SLP rules, the Universal Service Administrative Company (USAC) must now adjust your overall funding commitment. The purpose of this letter is to make the required adjustments to your funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the applicant is responsible for all or some of the violations. Therefore, the applicant is responsible to repay all or some of the funds disbursed in error (if any).

This is NOT a bill. If recovery of disbursed funds is required, the next step in the recovery process is for USAC to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of that letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see <https://www.fcc.gov/encyclopedia/red-light-frequently-asked-questions>.

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If you wish to appeal the Commitment Adjustment Decision indicated in this letter to USAC, your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Number(s) (FRNs) you are appealing. Your letter of appeal must include the
  - Billed Entity Name,
  - Form 471 Application Number,
  - Billed Entity Number, and
  - FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal including any correspondence and documentation.
4. If you are an applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are a service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

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To submit your appeal to us by fax, fax your appeal to (973) 599-6542.

To submit your appeal to us on paper, send your appeal to:

Letter of Appeal  
Schools and Libraries Program - Correspondence Unit  
30 Lanidex Plaza West  
PO Box 685  
Parsippany, NJ 07054-0685

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## FUNDING COMMITMENT ADJUSTMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Adjustment Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from your application for which adjustments are necessary. See the "Guide to USAC Letters" posted at <http://www.usac.org/sl/tools/samples.aspx> for more information on each of the fields in the Report. USAC is also sending this information to your service provider(s) for informational purposes. If USAC has determined the service provider is also responsible for any rule violation on the FRN(s), a separate letter will be sent to the service provider detailing the necessary service provider action.

Note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Review the Funding Commitment Adjustment Explanation in the attached Report for an explanation of the reduction to the commitment(s). Please ensure that any invoices that you or your service provider(s) submits to USAC are consistent with SLP rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the applicant is responsible for repaying.

Schools and Libraries Program  
Universal Services Administrative Company

cc: Stacey Wallop  
Verizon Wireless (Cellco Partnership)

**Funding Commitment Adjustment Report for  
Form 471 Application Number: 965185**

Funding Request Number:	2658045
Services Ordered:	TELCOMM SERVICES
SPIN:	143000677
Service Provider Name:	Verizon Wireless (Cellco Partnership)
Contract Number:	MTM
Billing Account Number:	
Site Identifier:	16038751
Original Funding Commitment:	\$148,204.17
Commitment Adjustment Amount:	\$148,204.17
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$0.00
Funds to be Recovered from Applicant:	\$0.00
Funding Commitment Adjustment Explanation:	

During a review, it was determined that the funding commitment for this request must be rescinded in full. Funding was provided for the following ineligible items: ineligible service-off campus use. The pre-discount cost associated with these items is \$205,839.12. At the applicants 72% percent discount rate, this resulted in an improper commitment of \$148,204.17. FCC rules provide that funding may be approved only for eligible products and/or services. The USAC web site contains a list of eligible products and/or services. See the web site, <http://www.usac.org/sl/applicants/beforeyoubegin/eligible-services-list.aspx> for the Eligible Services List. Therefore, USAC has determined that the applicant is responsible for the rule violation. Accordingly, the commitment has been rescinded in full.

Funding Request Number:	2658084
Services Ordered:	INTERNET ACCESS
SPIN:	143000677
Service Provider Name:	Verizon Wireless (Cellco Partnership)
Contract Number:	MTM
Billing Account Number:	
Site Identifier:	16038751
Original Funding Commitment:	\$256,831.17
Commitment Adjustment Amount:	\$256,831.17
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$0.00
Funds to be Recovered from Applicant:	\$0.00
Funding Commitment Adjustment Explanation:	

During a review, it was determined that the funding commitment for this request must be rescinded in full. Funding was provided for the following ineligible items: ineligible service-off campus use. The pre-discount cost associated with these items is \$356,709.96. At the applicants 72% percent discount rate, this resulted in an improper commitment of \$256,831.17. FCC rules provide that funding may be approved only for eligible products and/or services. The USAC web site contains a list of eligible products and/or services. See the web site, <http://www.usac.org/sl/applicants/beforeyoubegin/eligible-services-list.aspx> for the Eligible Services List. Therefore, USAC has determined that the applicant is responsible for the rule violation. Accordingly, the commitment has been rescinded in full.

Leilani Weiss

RIVER SPRINGS CHARTER SCHOOL

43466 Business Park Drive

Temecula, CA 92590

# Exhibit 3 - Notification of Improperly Disbursed Funds Recovery Letter for FRN 2657760



Schools and Libraries Program

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## Notification of Commitment Adjustment Letter

Funding Year 2014: July 1, 2014 - June 30, 2015

August 29, 2017

Leilani Weiss  
RIVER SPRINGS CHARTER SCHOOL  
43466 Business Park Drive  
Temecula, CA 92590

Re: Form 471 Application Number:	965185
Funding Year:	2014
Applicant's Form Identifier:	RiverSprings471Y17
Billed Entity Number:	16038751
FCC Registration Number:	0016127813
SPIN:	143006742
Service Provider Name:	Sprint Spectrum, L.P.
Service Provider Contact Person:	Christina Halley

Our routine review of Schools and Libraries Program (SLP) funding commitments has revealed certain applications where funds were committed in violation of SLP rules.

In order to be sure that no funds are used in violation of SLP rules, the Universal Service Administrative Company (USAC) must now adjust your overall funding commitment. The purpose of this letter is to make the required adjustments to your funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the applicant is responsible for all or some of the violations. Therefore, the applicant is responsible to repay all or some of the funds disbursed in error (if any).

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1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.
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  - FCC Registration Number (FCC RN) from the top of your letter.
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To submit your appeal to us on paper, send your appeal to:

Letter of Appeal  
Schools and Libraries Program - Correspondence Unit  
30 Lanidex Plaza West  
PO Box 685  
Parsippany, NJ 07054-0685

For more information on submitting an appeal to USAC, see "Appeals" in the "Schools and Libraries" section of the USAC website.



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Schools and Libraries Program  
Universal Services Administrative Company

cc: Christina Halley  
Sprint Spectrum, L.P.

**Funding Commitment Adjustment Report for  
Form 471 Application Number: 965185**

Funding Request Number:	2657760
Services Ordered:	INTERNET ACCESS
SPIN:	143006742
Service Provider Name:	Sprint Spectrum, L.P.
Contract Number:	MTM
Billing Account Number:	
Site Identifier:	16038751
Original Funding Commitment:	\$152,366.05
Commitment Adjustment Amount:	\$152,366.05
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$0.00
Funds to be Recovered from Applicant:	\$0.00
Funding Commitment Adjustment Explanation:	

During a review, it was determined that the funding commitment for this request must be rescinded in full. Funding was provided for the following ineligible items: ineligible service-off campus use. The pre-discount cost associated with these items is \$211,619.52. At the applicants 72% percent discount rate, this resulted in an improper commitment of \$152,366.05. FCC rules provide that funding may be approved only for eligible products and/or services. The USAC web site contains a list of eligible products and/or services. See the web site, <http://www.usac.org/sl/applicants/beforeyoubegin/eligible-services-list.aspx> for the Eligible Services List. Therefore, USAC has determined that the applicant is responsible for the rule violation. Accordingly, the commitment has been rescinded in full.

Christina Halley  
Sprint Spectrum, L.P.  
12524 Sunrise Valley Drive  
2nd Floor, VARESF0205-2A2063  
Reston, VA 20196



**Notification of Commitment Adjustment Letter**

**Funding Year 2014: July 1, 2014 - June 30, 2015**

August 29, 2017

**Leilani Weiss  
RIVER SPRINGS CHARTER SCHOOL  
43466 Business Park Drive  
Temecula, CA 92590**

**Re: Form 471 Application Number: 965185  
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Billed Entity Number: 16038751  
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Service Provider Name: Sprint Spectrum, L.P.  
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30 Lanidex Plaza West  
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For more information on submitting an appeal to USAC, see "Appeals" in the "Schools and Libraries" section of the USAC website.

## FUNDING COMMITMENT ADJUSTMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Adjustment Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from your application for which adjustments are necessary. See the "Guide to USAC Letters" posted at <http://www.usac.org/sl/tools/samples.aspx> for more information on each of the fields in the Report. USAC is also sending this information to your service provider(s) for informational purposes. If USAC has determined the service provider is also responsible for any rule violation on the FRN(s), a separate letter will be sent to the service provider detailing the necessary service provider action.

Note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Review the Funding Commitment Adjustment Explanation in the attached Report for an explanation of the reduction to the commitment(s). Please ensure that any invoices that you or your service provider(s) submits to USAC are consistent with SLP rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the applicant is responsible for repaying.

Schools and Libraries Program  
Universal Services Administrative Company

cc: Christina Halley  
Sprint Spectrum, L.P.

**Funding Commitment Adjustment Report for  
Form 471 Application Number: 965185**

Funding Request Number:	2657760
Services Ordered:	INTERNET ACCESS
SPIN:	143006742
Service Provider Name:	Sprint Spectrum, L.P.
Contract Number:	MTM
Billing Account Number:	
Site Identifier:	16038751
Original Funding Commitment:	\$152,366.05
Commitment Adjustment Amount:	\$152,366.05
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$0.00
Funds to be Recovered from Applicant:	\$0.00
Funding Commitment Adjustment Explanation:	

During a review, it was determined that the funding commitment for this request must be rescinded in full. Funding was provided for the following ineligible items: ineligible service-off campus use. The pre-discount cost associated with these items is \$211,619.52. At the applicants 72% percent discount rate, this resulted in an improper commitment of \$152,366.05. FCC rules provide that funding may be approved only for eligible products and/or services. The USAC web site contains a list of eligible products and/or services. See the web site, <http://www.usac.org/sl/applicants/beforeyoubegin/eligible-services-list.aspx> for the Eligible Services List. Therefore, USAC has determined that the applicant is responsible for the rule violation. Accordingly, the commitment has been rescinded in full.

# Exhibit 4 - FY 2013 and FY2014 E-rate Application Information Request



Schools and Libraries Division

## FY 2013 and FY2014 E-rate Application Information Request

Date 9/29/2014

Contact Name: Michelle Harken

Applicant Name: RIVER SPRINGS CHARTER SCHOOL

FCC Form 471 Application Number(s): FY2013 Application 880437 FRN 2520896 (**Sprint Spectrum, L.P.**) and FY2014 Application 965185 FRN 2658084 (**Verizon Wireless (Cellco Partnership)**), FRN 2657760(**Sprint Spectrum, L.P.**) and FRN 2658045 (**Verizon Wireless (Cellco Partnership)**)

**Response Due Date: 10/14/2014**

Dear Michelle Harken:

We are currently in the process of reviewing your FY2013/FY2014 application for E-rate support and have some questions about your Priority One funding requests for wireless data services.

Applicants are required to select cost-effective solutions when seeking E-rate support.<sup>1</sup> The above-referenced funding request(s) seeks substantial financial support for individual cellular data plans. In the recent *E-rate Modernization Order*, the FCC explained that individual data plans are generally not a cost-effective means for applicants to purchase on-campus Internet connectivity.<sup>2</sup>

Furthermore, you have also requested E-rate funding for separate high-capacity connections to your schools, which appears to make the individual data plans a duplicative service. Duplicative services are services that deliver the same functionality to the same population in the same location during the same time.<sup>3</sup> In the *Second Report and Order*, the FCC determined that the use of duplicative services contravenes the requirement that discounts be awarded to meet the "reasonable needs and resources" of applicants.

In order for us to reach a funding decision regarding your funding request for Wireless Internet Access Request on Application 880437 and Mobile Hot Spot, Cellular (including PCS) request on application 965185, please provide answers to the following questions:

### A. Preliminary eligibility of services

For FY 2013 only

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<sup>1</sup> See 47 C. F. R. § 54.511(a); *Modernizing the E-rate Program for Schools and Libraries*, WC Docket No. 13-184, Order and Further Notice of Proposed Rulemaking, FCC 14-99, para. 50 (*E-rate Modernization Order*); *Request for Review by Ysleta Independent School District of the Decision of the Universal Service Administrator*, CC Docket Nos. 96-45, 97-21, Order, 18 FCC Rcd 26407, 26432, para. 54 (2003).

<sup>2</sup> See *E-Rate Modernization Order*, para. 151.

<sup>3</sup> See *Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Second Report and Order and Further Notice of Proposed Rulemaking, 18 FCC Rcd 9202, 9209, para. 22 (2002) (*Second Report and Order*).



Response due: 10/14/2014

1. Did you receive the services that you requested in the above-referenced funding requests?  
Yes/No. **YES**
  - a. If no, we will cancel the funding requests, as the deadline to deliver the services has passed.

For all FYs

2. Please provide an explanation of why you are requesting funding to purchase a large number of cellular data connections rather than building out your Local Area Network (LAN)/Wireless Local Area Network (WLAN). **Not applicable. This standard was not communicated as a standard for cost effectiveness prior to the 7<sup>th</sup> Report and Order adopted 7/11/14 and effective for 2015/2016 funding year and beyond.**
3. Please describe who used/will be using the individual data plans and how the connections were used/are to be used. **The connections are used on individual devices accessing the internet wirelessly in an environment where the WLAN is not always sufficient to handle the traffic through the network at any given time** Are the connections for students, teachers, or staff? . **All of the above** Please provide a breakdown of the number of data plans for students/teachers/other staff Where are the services used? **Services are used primarily on campus for educational purposes.**
4. Do any of the individual data plans come with free or reduced prices for mobile devices? **Not applicable. See below.** If so, because E-rate does not support the cost of mobile devices, have you deducted any cost attributable to the device from the cost of the service plan? **Not applicable. See below.** If so, what is the cost allocation? If not, why not? **Please see the following explanation.** Note your cost-allocation must be based on tangible criteria and reach a realistic result. . **The 2010 Clarification Order<sup>4</sup> (DA 10-2355 released 12/15/10 – related to the 6<sup>th</sup> Report and Order FCC 10-175 released 9/28/10) clarified that applicants were not required to subtract the cost of bundled end user devices (footnote 25):**

*For example, many cell phones are free or available to the general public at a discounted price with the purchase of a two-year service contract. Schools and libraries are free to take advantage of these deals, without cost allocation, but cannot accept other equipment with service arrangements that are not otherwise available to some segment of the public or class of users. Therefore, a service provider may not offer free iPads to a school with the purchase of telecommunications or Internet access services eligible under E-rate, if such an arrangement is not currently available to the public or a designated class of subscribers.*

**For this reason, River Springs Charter School did not consider a cost allocation necessary at the time these services were contracted. Since such time, the FCC has released DA 14-712 May 23, 2014 (Bundling Order) and the clarifications to the rule change regarding the rescission of allowable bundled end-user devices are effective for FY 2015 and beyond. Hence, this question is not applicable.**

5. Are students/teachers/staff that use the individual data plans able to take the devices associated with those data plans off campus? **YES Some** Can some or all of the students/teachers/other staff use the data services off campus? **YES SOME**
  - (a) If so, how many students/teachers/other staff can use the data services off campus and what is the breakdown?

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<sup>4</sup> See Schools and Libraries Universal Service Support Mechanism, A National Broadband Plan for Our Future, CC Docket No. 02-6, GN Docket No. 09-51, Order, 25 FCC Rcd 17324 (Wireline Comp. Bur. 2010) (2010 Clarification Order).

**Devices sometimes used off campus:**

**Staff 173**

**Student 40**

**Teacher 233**

- (b) If so, because E-rate only supports on campus use, not off-campus use, have you deducted a portion of the cost of the service based on off-campus use? If so, how did you allocate costs and what, if any, records of off-campus traffic usage did you base it on, and can you provide them? If not, why not? **We used the attached cost allocation formula. We are UNABLE to access 'off-campus traffic usage' reports as they have never been requested or required by us or by USAC. The cellular carriers simply do not have this kind of detail available as a reporting mechanism. Therefore, we use the attached cost-allocation formula that uses tangible criteria reaching a realistic result, per the guidelines from USAC**
- (c) If not, what safeguards do you have to prevent off-campus use? **We cost allocate the off-campus usage as required by the Eligible Services List and USAC guidance.**

B. Duplicative services and cost-effectiveness

Please answer questions 6-9 for each building used by the students, teachers, or other staff with access to the individual data plans for which you have sought support.

1. For each funding year at issue, how much bandwidth did you or do you need to meet the on-campus educational needs of your students? For example, for each elementary school you may have determined that in funding year 2013, you needed 100 Mbps connectivity. **This is a difficult number to quantify as much of the curriculum being provided on these One-to-One devices are very bandwidth heavy and in an environment where the WLAN bandwidth is not sufficient to meet the needs of the population throughout the school day, it is necessary to have the ability to make adjustments to address the bottlenecks that invariable occur. Mobile cellular broadband being delivered to a specific device allows transparent and effective delivery of the content being used in the classroom.**
6. How much bandwidth do the individual wireless data plans for which you are seeking support provide for the students, teachers, and staff in in the school? **Not applicable.**
7. What other broadband connections do you have to that building and how much bandwidth do such connections provide? **Not applicable.**
2. If the total of 7) and 8) exceeds the total for 6), please explain why your request does not represent a request for duplicative services? **As stated multiple times throughout this response, the mobile cellular broadband service has never been used as a 'duplicative service'. It has always been used as supplemental bandwidth to accommodate the technology rich content being delivered on the mobile devices in the classrooms.**
8. For each building, did you investigate the cost of providing the same wireless data access by expanding the capacity of your existing wired or wireless LANs to handle any additional bandwidth required (or purchasing it if you did not have any prior access (including purchasing any necessary wireless access points (WAPs)))? **No** If not, why not? **We did not even even CONSIDER investigating the cost of providing the wireless data services via a LAN or WLAN because until the 7<sup>th</sup> Report and Order, this was never, ever discussed as a comparative requirement for procuring the ELIGIBLE wireless cellular broadband services.**

Response due: 10/14/2014

9. If you did, a) what was the cost for such upgrades and b) explain why purchasing such upgrades was not more cost effective than purchasing the wireless data plans? Please provide supporting documentation. **Not applicable as explained above.**

Did you use anything in addition to the FCC Form 470, such as a Request for Proposal, to provide potential bidders with a more detailed description of the service you sought, i.e., to provide connections to the mobile devices at issue here? **Given that the questions being asked throughout this document are likely to be considered not applicable, if USAC so desires, we will provide this information upon additional request.** If so, please provide such materials. If your description narrowed your request to only wireless priority one solutions or individual data plans, why did you do so?

**The 2013 and 2014 Eligible Services Lists BOTH read as follows:**

**Wireless Internet Access:**

***A wireless Internet access service is eligible under the same provisions as wired access to the Internet.***

***A wireless Internet access service designed for portable electronic devices is eligible if used for educational purposes. Off-campus use must be removed by cost allocation. Applications (including GPS) for wireless devices are not eligible for discount. Service/Data charges dedicated solely to the provision of these applications are not eligible and require cost allocation.***

***Mobile hotspot service designed for portable electronics is eligible if used for educational purposes. Off-campus use must be removed by cost-allocation. Hardware costs of the mobile hotspot embedded in or connected to the end-user device are not eligible.***

**Ineligible:**

***Any product or service that is duplicative of a service for which funding has already been requested. Services that provide necessary bandwidth requirements, such as multiple T-1 lines, when appropriate for the population served and the services to be received are not duplicative.***

**As this service was contracted for as a supplement to the wireless bandwidth available on campus for this population(s) or program(s) (such as One-to-One, etc.), it was completely appropriate for the applicant to request this type of service specifically in order to provide a bona-fide request for service. Additionally, this is NOT duplicative service as it is being used as supplemental service in the areas in which the WLAN capacity is not great enough to accommodate the needs of the users on campus.**

10. If you compared the cost of cellular data plans to the cost of upgrading your broadband capacity to handle the wireless devices, did you compare the prices of the options in the marketplace BEFORE considering any E-rate discounts or only AFTER reducing the prices by the expected E-rate discounts? **Not applicable. We do not understand the question.**

Please email or fax the requested information to my attention. If you have any questions or you do not understand what we are requesting, please feel free to contact me.

**Response due: 10/14/2014**

It is important that we receive all of the information requested **within 15 calendar days** so we can complete our review of your application(s). **Failure to send all of the information requested may result in a reduction or denial of funding. If you need additional time to prepare your response, please let me know as soon as possible.**

Thank you for your cooperation and continued support of the Universal Service Program.

Sincerely,

Dhara Patel  
Associate Manager, Selective Review  
Solix, Inc. | 30 Lanidex Plaza West | Parsippany, NJ 07054  
T: 973.581.5367 | F: 973.599.6515  
[Dhara.patel@sl.universalservice.org](mailto:Dhara.patel@sl.universalservice.org)

# Exhibit 5 - River Springs Charter School Appeal of Improperly Disbursed Funds



*Empowering Education Through Technology*

October 26, 2017

Letter of Appeal  
30 Lanidex Plaza West  
PO Box 685  
Parsippany, NJ 07054-0685

To Whom It May Concern:

This is a letter of appeal relating to three Notification of Improperly Disbursed Funds Recovery Letters (RFID Letter) for three Funding Year 2014 FRNs issued by USAC on August 29, 2017 for the following:

Appellant/Organization Name	River Springs Charter School
BEN	16038751
Form 471	965185
Funding Request Numbers	2657760, 2658084, 2658045

This letter is to appeal the decision to seek full recovery of funds outlined in the Funding Disbursement Recovery Report included on page 5 of the RFID Letter.

River Springs Charter School (RSCS) respectfully requests that the SLD reverse the decision to seek the full recovery of funds that were determined to be improperly disbursed per the **RFID Letters, Funding Year 2002: July 1, 2014– June 30, 2015**. In Funding Year 2014-2015 RSCS applied for mobile broadband access services and cellular services under 3 separate FRNs all of which received RFIDs seeking full recovery. While we do not contest the determination that funding for ineligible services should be returned, it is only applicable to two of the three funding requests and to a far lesser extent than what is being instructed. Below is a description of the services provided under each FRN:

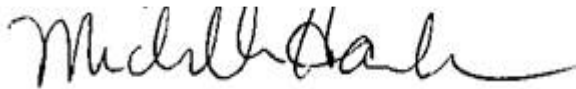
FRN 2657760 is Internet Access for mobile broadband access, however it is used ONLY at eligible locations which was documented and communicated to the Service Provider. Services under FRN 2657760 are 100% eligible and no cost allocation requiring the return of funding should be warranted. See Attached **"On Premise Usage Confirmation"**

FRN 2658084 does in fact carry some off campus usage that was thought to have been communicated during an October 2014 Cost Effectiveness Review. Somehow the attachment that addressed a reasonable cost allocation was not submitted although referenced to in our Cost Effectiveness Response, therefore we ask for that opportunity now as that was clearly the intent. Below is an excerpt from our response to the Cost Effectiveness Review **"River Springs Y16 App 880437 and Y17 App965185"**, specifically #5 which supports the intent of supplying a cost allocation for off-site usage:

“because E-rate only supports on campus use, not off-campus use, have you deducted a portion of the cost of the service based on off-campus use? If so, how did you allocate costs and what, if any, records of off-campus traffic usage did you base it on, and can you provide them? If not, why not? **We used the attached cost allocation formula. We are UNABLE to access ‘off-campus traffic usage’ reports as they have never been requested or required by us or by USAC. The cellular carriers simply do not have this kind of detail available as a reporting mechanism. Therefore, we use the attached cost-allocation formula that uses tangible criteria reaching a realistic result, per the guidelines from USAC”**

FRN 2658045 is a Telecommunications funding request and consists solely of monthly recurring services associated with smartphone usage. Please refer to the explanation above regarding FRN 2658084 as the same rationale applies. The cost allocation attachment that was intended to be submitted with this Cost Effectiveness Review response also contains the cost allocation for FRN 2658045. Please refer to attachment **River Springs Charter Wireless Broadband Cost Allocation Rationale**.

We respectfully request that the RDIF is rescinded in its entirety for FRN 2657760. For FRN 2658045 and FRN 2658084 we ask that we are given the opportunity to submit a cost allocation for the off campus usage for as required by the 2014 Eligible Services List and USAC guidance as it was our intention per our response to the Cost Effectiveness Review in October 2014. The cost allocation spreadsheet will accompany this appeal.



Michelle Harken  
Director, E-Rate Services  
CSM, Inc.  
28459 S. Chrisman Road  
Tracy, CA 95304  
(888) 944-7798 (Phone)  
[mharken@csmcentral.com](mailto:mharken@csmcentral.com)

# Schools and Libraries Universal Service Support Mechanism

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## Eligible Services List

CC Docket No. 02-6; GN Docket No. 09-51

*Released: October 22, 2013*

The Federal Communications Commission's (FCC's) rules provide that all services that are eligible for to receive discounts under the Schools and Libraries Universal Service Support Mechanism (otherwise known as the E-rate program or "E-rate") are listed in this Eligible Services List (ESL). The E-rate program is administered by the Universal Service Administrative Company (USAC).

***Background:***

The E-rate program provides eligible schools and libraries discounts for eligible services and products. Consistent with prior years, in each category the ESL first lists the services and products that are eligible for funding, and then lists the services and products that are not eligible for funding. E-rate funds are allocated according to rules of priority. Requests for telecommunications services, telecommunications, and Internet access services have first priority for funding; the ESL lists these services in the “Priority One” section. Requests for support for internal connections and basic maintenance of internal connections are eligible for the funding that remains after priority one requests are funded; the ESL lists these services in the “Priority Two” section. There is also a Miscellaneous section, a Special Eligibility Conditions section, and a [Glossary](#), providing additional information and definitions for many of the terms used herein.

*Note on FCC Form 471.* For Block 5 of the FCC Form 471, for Priority One services, applicants must indicate the services they select as a Priority One Telecommunications Service or Priority One Internet Access. If an applicant selects Telecommunications Services, the service must be provided by a “telecommunications carrier” (see “Special Regulatory Requirements” in the Special Eligibility Conditions section below). After an applicant has complied with E-rate competitive bidding requirements and selected its vendors, it may consult with each vendor for assistance with Block 5 of the FCC Form 471 to accurately describe the service the vendor will be providing.

*Administrative Convenience.* Some service offerings provide a combination of both Internet access and telecommunications services, which are Priority One services. For example, a service provider may offer local phone service, long distance service, and Internet access for one price. For administrative convenience, applicants may request combined offerings of service in the Internet access category of service on the FCC Form 471, or, if the service will be provided by a telecommunications carrier, applicants may request such combined offerings in the telecommunications services category of service on the FCC Form 471. Alternatively, applicants may request funding as two separate requests, allocating the price of the offering appropriately between the telecommunications services and Internet access categories.

*CIPA Reminder.* Applicants that request funding for Internet access service in the telecommunications services category are still required to comply with the Children’s Internet Protection Act (CIPA).

Additional information about eligibility requirements is available at USAC’s website at <http://www.usac.org/sl/>, the reference area of the USAC website at <http://www.usac.org/sl/tools/reference-area.aspx>, and in Schools and Libraries News-briefs available at <http://www.usac.org/sl/tools/news-briefs/Default.aspx>. These documents are not incorporated by reference into the Eligible Services List. This ESL, dated October 22, 2013, may represent a change from prior funding years and applies to funding requests for Funding Year 2014.



## Priority One

This section lists the Priority One telecommunications services, telecommunications, and Internet access services for which E-rate applicants may seek discounts.

Support is also available for maintenance and technical support appropriate to maintain reliable operation when provided as a component of these services. Please see the [Miscellaneous](#) section of this document for additional entries applicable to these services, such as charges for installation and configuration.

Function	Description
Digital Transmission Services	<p>Digital transmission services provide transmission from an eligible school or library facility to other locations beyond the school or library. Such services generally refer to data links that connect multiple points using any available technology. An eligible digital transmission service may be used to connect an eligible location to the Internet or <a href="#">Internet2</a>. Digital transmission services used to link local networks are commonly called "wide area networks" (<a href="#">WANs</a>).</p> <p>Eligible digital transmission technologies include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• <a href="#">Asynchronous Transfer Mode (ATM)</a></li> <li>• <a href="#">Broadband over Power Lines</a> (BPL)</li> <li>• <a href="#">Digital Subscriber Line</a> (DSL)</li> <li>• <a href="#">DS-1, DS-3</a></li> <li>• <a href="#">Ethernet</a></li> <li>• <a href="#">Fiber</a></li> <li>• <a href="#">Frame Relay</a></li> <li>• <a href="#">Integrated Services Digital Network</a> (ISDN, BRI, PRI)</li> <li>• <a href="#">OC-1, OC-3, OC-12, OC-n</a></li> <li>• <a href="#">Satellite service</a></li> <li>• <a href="#">Switched Multimegabit Data Service (SMDS)</a></li> <li>• <a href="#">T-1, T-3, Fractional T-1</a></li> <li>• <a href="#">Wireless</a></li> </ul> <p>Components required as an integral part of a digital transmission service are eligible for discount, such as:</p> <ul style="list-style-type: none"> <li>• costs of a <a href="#">permanent virtual circuit (PVC)</a></li> <li>• costs of <a href="#">trunk lines</a></li> <li>• reasonable installation costs</li> </ul> <p>-The telecommunications component of:</p> <ul style="list-style-type: none"> <li>• a distance learning capability</li> <li>• video, or</li> <li>• interactive television, is eligible for discount.</li> </ul>

	<p>In addition, the telecommunications component of voice or video <a href="#">conferencing services</a> that provide a means for multiple users to participate in group discussions may be eligible if the services are limited only to eligible educational or library purposes.</p>
E-mail Service	<p><a href="#">E-mail</a> service is eligible. E-mail service may be included in the cost of Internet access (listed above) or may be provided at a separate cost, either as a fixed charge and/or on a per-user or other basis.</p> <p>Some e-mail services may include substantial ineligible features, such as collaboration tools, and services to ineligible users. Funding is limited strictly to the eligible portion of an electronic mail service (<i>i.e.</i>, the part of the service that provides for the transmission of text messages and other information). <a href="#">E-mail archiving</a> is not eligible for discount.</p>
Fiber or Dark Fiber	<p><a href="#">Lit or dark fiber</a>, provided by any entity, including a non-telecommunications carrier, is eligible. Dark fiber is eligible as long as applicants light the fiber immediately.</p> <p><a href="#">Lit fiber</a> - For leased lit fiber, monthly charges, special construction and maintenance charges are eligible. When lit fiber is leased as a Priority One service, the modulating electronics can be included as a part of that eligible service.</p> <p><a href="#">Dark fiber</a> - From the eligible entity up to the property line, maintenance costs of leased dark fiber and special construction costs to connect the fiber are eligible. Beyond the eligible entity's property line, monthly charges are eligible and maintenance provided as a component of leased dark fiber to maintain reliable operation is eligible. If other customers are served by the leased dark fiber, the costs of maintenance should be shared among all recipients. Re-routing of fiber is considered construction not maintenance. An Indefeasible Rights of Use (IRUs) 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.</p> <p>USAC's <a href="#">Wide Area Network Fact Sheet</a> provides further details about amortization requirements when non-recurring charges vastly exceed monthly recurring charges.</p> <p>Funding requests for fiber must be submitted in the <a href="#">Internet Access</a> category of service if the service will not be provided by a telecommunications carrier.</p>
Interconnected Voice Over Internet Protocol	<p>Costs to subscribe to <a href="#">interconnected Voice Over Internet Protocol</a> (VoIP) are generally eligible for E-rate discounts.</p>
Internet Access	<p>Support in this funding category is generally only available for basic conduit access to the Internet but is not available for content, equipment purchased by applicants, and services beyond basic conduit access to the Internet. Basic conduit access to the</p>

	<p>Internet may be used for access to Internet-based distance learning and video conferencing services. Basic conduit access technologies include but are not limited to:</p> <ul style="list-style-type: none"> <li>• <a href="#">Broadband over Power Lines</a> (BPL)-enabled Internet access service</li> <li>• <a href="#">Cable Modem</a></li> <li>• <a href="#">Digital Subscriber Line (DSL)</a></li> <li>• <a href="#">Fiber/Dark Fiber</a></li> <li>• <a href="#">Satellite service</a></li> <li>• <a href="#">Telephone</a> dial-up</li> <li>• <a href="#">T-1</a> lines</li> <li>• Wireless (For more details see the entry for "<a href="#">Wireless Internet access</a>")</li> </ul> <p>Eligible Internet access may include features typically provided for when provided as a standard component of a vendor's Internet access service. Such features may include: <a href="#">Domain Name Service</a>, <a href="#">Dynamic Host Configuration</a>, and basic <a href="#">firewall</a> protection against unauthorized use and access. Firewall protection may not be provided by a vendor other than the Internet access provider and may not be priced out separately.</p> <p>A <a href="#">Wide Area Network</a> can be eligible for funding as a part of Internet access if the service is limited to basic conduit access to the Internet.</p>
Paging	<p><a href="#">Paging</a> services are eligible when integral, immediate, and proximate to the education of students.</p>
Telephone Service	<p>Costs to subscribe to a telephone service are generally eligible for discount, including the costs for the following telephone services:</p> <ul style="list-style-type: none"> <li>• <a href="#">800 service</a>, e.g., a toll-free telephone number for students to contact school regarding questions about homework</li> <li>• <a href="#">Centrex</a></li> <li>• <a href="#">Local phone service</a></li> <li>• <a href="#">Long distance telephone service</a></li> <li>• <a href="#">POTS</a> ("Plain Old Telephone Service")</li> <li>• <a href="#">Radio loop</a></li> <li>• <a href="#">Satellite</a></li> <li>• <a href="#">Wireless telephone services</a>, e.g., <a href="#">cellular service</a> and Personal Communications Services (PCS) <ul style="list-style-type: none"> <li>◦ See the Internet Access category for the eligibility of <a href="#">Wireless Internet access/e-mail</a> plans for portable electronics</li> </ul> </li> </ul> <p><a href="#">Shared telephone service</a> (only that portion of the shared service relating to the eligible use and location may receive discounts)</p> <p>Various payment options may be used with these eligible services, and phone bills may include billing terms, such as, <a href="#">flat rate</a>, <a href="#">local measured service</a>, and <a href="#">message rate service</a>. <a href="#">Phone calling cards</a> may also be eligible, if they are used for an educational purpose.</p>

	<p>Service to an eligible location for educational or library purposes can provide voice communication, fax connections, modem connections, <a href="#">911</a> or <a href="#">alarm</a> connections.</p>
Telephone Service Components	<p>Telephone features indicated in this section are eligible for discount if they are a component part of a telephone service. Generally, this requirement means that these charges will appear on the same bill as the telephone service itself.</p> <ul style="list-style-type: none"> <li>• <a href="#">900\976 Call blocking</a></li> <li>• <a href="#">Text messaging</a></li> <li>• <a href="#">Custom calling services</a></li> <li>• <a href="#">Direct Inward Dialing (DID)</a></li> <li>• <a href="#">Directory assistance charges</a></li> </ul> <p>An <a href="#">inside wire maintenance</a> plan is eligible as a component part of a telephone service only if charges are minimal.</p>
Voice Mail Service	<p>A <a href="#">voice mail service</a> is eligible.</p> <p><a href="#">Voice mail components</a> may be requested in the Internal Connections category of service, but funding is not available for end user equipment, such as answering machines.</p>
Web Hosting	<p>A <a href="#">web hosting</a> service that provides a means for a school or library to maintain a website on the Internet is eligible. This will include storage, access, and website administration tools for the creation and maintenance of the website. In addition, web hosting may include password-protected pages, interactive communication features such as blogging and webmail, and other features that facilitate real-time interactive communication, such as instant messaging and chat.</p> <p>Note: <a href="#">Domain name registration</a> is also eligible if it is necessary for the creation of a school or library website.</p>
Wireless Internet Access	<p>A <a href="#">wireless Internet access service</a> is eligible under the same provisions as wired access to the Internet.</p> <p>A <a href="#">wireless Internet access service</a> designed for portable electronic devices is eligible if used for educational purposes. Off-campus use must be removed by <a href="#">cost allocation</a>. Applications (including GPS) for wireless devices are not eligible for discount. Service/Data charges dedicated solely to the provision of these applications are not eligible and require cost allocation.</p> <p><a href="#">Mobile hotspot service</a> designed for portable electronics is eligible if used for educational purposes. Off-campus use must be removed by <a href="#">cost-allocation</a>. Hardware costs of the mobile hotspot embedded in or connected to the end-user device are not eligible.</p>

NOT Eligible for E-rate Funding as a Priority One service

The following charges are **NOT ELIGIBLE** for E-rate support:

-End User Equipment. Support is not available for end-user equipment.

-Ineligible Fiber Costs. Special construction charges to build out dark fiber connections from an applicant's facilities to an off-premises fiber network are NOT eligible. Special construction charges include design and engineering costs, project management costs, digging trenches and laying fiber. Lit and dark fiber connections between two buildings that share a campus and do not cross a public right-of-way may be eligible as Priority Two internal connections.

-Modulating Equipment. The purchase and ownership of modulating electronics associated with lighting dark fiber is NOT eligible as Priority One telecommunications but if it is on premises, it may be eligible under the Priority Two internal connections category if it meets the definition of internal connections. Modulating electronics on applicant-leased dark fiber that is leaving the school premises is NOT eligible.

-Dark Fiber Warehousing. Applicants are also not permitted to use E-rate discounts to acquire unneeded capacity or warehouse dark fiber for future use.

-The non-telecommunications components of a distance learning service, video service, or interactive television service, such as a scheduling service or services for creation, maintenance, and storage of content are not eligible.

-Services that provide voice, video, or data connectivity exclusively within school or library grounds are not eligible for Priority One funding but may be eligible as [Internal Connections](#)

- Services to ineligible locations are not eligible.

- Applications (including GPS) for wireless devices are not eligible for discount. Charges for services used solely for the provision of these applications are not eligible.

-Ineligible charges related to telephone service.

- End-user equipment
- [900\976 service](#)
- [Broadcast "Blast" Messaging](#)
- [Direct Broadcast](#) and other services that provide broadcast content or cable television
- [Directory advertising](#)
- Extra costs for directory listings
- [Payphone](#)
- [Reverse directory assistance](#)
- Charges for creation, configuration, or maintenance of content
- Services that are not related to voice services, such as monitoring services for [911](#), or an [alarm telephone line](#)
  - Telephone services that connect to a residential facility or home, except as allowed by the FCC in FCC 10-175

for the residential areas of residential schools that serve unique populations

-Ineligible charges related to Internet access.

- Internet access that provides features or content that go beyond basic conduit access to the Internet including specialized services such as Virtual Private Network services
- Charges for creation, configuration, or maintenance of content
- [Internet](#) content or charges for the creation or display of information. Applicants may accept an Internet Access service with minimal content included if the content meets the limitations for [Ancillary Use](#). (See [Special Eligibility Conditions](#) below for further information on Ancillary Use.)
- [Online backup solutions](#)
- Costs attributable to the creation or modification of information, or design such as a [web site creation fee](#) or content maintenance fees.
- Charges to access Internet content or limited-access information
- Charges for [distance learning](#) or video conferencing utilities, such as web meetings or online collaboration solutions, even if provided via the Internet
- Software, services, or systems used to create or edit Internet content
- [Internet2](#) membership fees or dues
- Training regarding the use of the Internet
- Costs for training provided via the Internet
- Electronic library/on-line public access and associated software

Separate pricing for the following components when not included in the standard configuration of an Internet access service are also **NOT ELIGIBLE**:

- [Caching](#)
- [Content filtering](#)
- [Web Casting](#)

-Ineligible charges related to web hosting

- Features that facilitate the ability to communicate, such as blogging, e-mailing over a school or library's hosted website, discussion boards, and services that may facilitate real-time interactive communication such as instant messaging or chat, are not considered eligible for E-rate support as standalone services under web hosting.
- Applicants may not request funding for web hosting

	<p>services from multiple providers.</p> <ul style="list-style-type: none"> <li>• Costs attributable to the creation or modification of information, or design such as a <a href="#">web site creation fee</a> or content maintenance fees.</li> <li>• Content supplied as part of a web hosting service created by third-party vendors or the web hosting service provider itself and any features or software involving data input or retrieval other than the provision of applicant-created content for an educational purpose (e.g., teacher web pages or blogs).</li> <li>• The parts of a web hosting service including, but not limited to, any portion of tools, capabilities or integration with other systems such as: Student Information Systems (SIS); databases; student attendance or grades or grade management; course scheduling; tests or testing systems; on-line/interactive education systems; and learning/education management systems. (An eligible web hosting service will also not include support for the applications necessary to run online classes or collaborative meetings).</li> </ul>
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## Priority Two: Internal Connections

### Eligibility Requirements for All Internal Connections:

Internal Connections are components located at the applicant site that are necessary to transport information to classrooms, publicly accessible rooms of a library, and to eligible administrative areas or buildings. Internal Connections include connections within, between or among instructional buildings that comprise a school campus or library branch, but do not include services that extend beyond the school campus or library branch.

Components at the applicant site are eligible only if they are an essential element in the transmission of information within the school or library. The components must be necessary to transport information to the individual classrooms or public areas of a library.

Internal Connections do not include services that extend across a public right-of-way beyond the school or library facility.

Funding for Internal Connections is subject to the provisions of the "[Two-in-Five Rule](#)."

Function	Description
Cabling/ Connectors	<p><a href="#">Cabling</a>, <a href="#">connectors</a>, and related components used for eligible voice, video, and data transmission within an eligible location are eligible for discount. Eligible components include:</p> <ul style="list-style-type: none"> <li>• <a href="#">Cable</a> (e.g., copper, fiber, coax, twisted pair)</li> <li>• <a href="#">Connectors</a></li> <li>• Jacks, panels, <a href="#">faceplates</a> and <a href="#">wire managers</a></li> <li>• <a href="#">Conduit and raceway</a></li> <li>• Other cabling components necessary to transport information to the individual classrooms or public areas of a library.</li> </ul> <p>Consumable components are eligible only when included as part of the original installation of eligible components.</p> <p><u>Eligibility limitations</u> If cabling or cabling components are used for both eligible and ineligible purposes, the cost of the ineligible portion must be <a href="#">cost allocated</a>.</p>
Circuit Cards/ Components	<p><a href="#">Circuit</a> cards and related components, such as <a href="#">memory modules/Random Access Memory (RAM)</a>, are eligible if they are necessary for adequate performance of an eligible component, for example, an eligible PBX, router, or server.</p> <p><a href="#">Network interface cards</a> that are separately priced or used in eligible equipment are eligible.</p>



	<p>Processors and a <a href="#">processor terminator card</a> are eligible if used in an eligible component.</p> <p><a href="#">Phone modems</a> may be eligible if used with an eligible server or other eligible device for providing remote dial-in network access, if the remote access is limited to connections from eligible locations.</p>
Data Distribution	<p>Components used to transport information from telecommunication or Internet access facilities to the individual classrooms or public areas of a library are eligible.</p> <p>Such components may include:</p> <ul style="list-style-type: none"> <li>• <a href="#">Access Points</a> used in a LAN environment</li> <li>• <a href="#">Hubs</a></li> <li>• <a href="#">Multiplexers</a> used as part of a LAN</li> <li>• <a href="#">Network Switches</a> are eligible for discount when used for an eligible purpose</li> <li>• <a href="#">Routers</a> are eligible for a discount when used for an eligible purpose</li> <li>• <a href="#">Wireless LAN Controllers</a></li> </ul> <p><a href="#">Voice/Video over IP</a> components are eligible as Internal Connections.</p> <p>Components such as those indicated above are typically configured into a <a href="#">local area network</a> or <a href="#">wireless area network</a>.</p> <p>Some products may have modules or features that are not eligible, (e.g., content filtering, network management, and caching). If these ineligible components are available separately, or the applicant specifically seeks the ineligible functions, their cost must be subtracted from the amount eligible for discount.</p>
Data Protection	<p>Data protection components are used to ensure the continued operation of eligible equipment by protecting equipment and computer files from environmental or security hazards. The following components are eligible if used to provide basic and reasonable measures for data protection:</p> <ul style="list-style-type: none"> <li>• <a href="#">Firewall</a></li> <li>• <a href="#">Proxy Server</a></li> <li>• <a href="#">Tape Backup</a> when used as part of an eligible server</li> <li>• <a href="#">Virtual Private Network</a></li> <li>• <a href="#">Tape backup</a> cartridge units are eligible when used as part of an eligible server. A cartridge included with a tape backup may be provided as an integral component of the backup unit, if the cartridge is part of the standard product configuration and provided at no additional cost.</li> </ul>

	<p>An <a href="#">Uninterruptible Power Supply (UPS)/Battery Backup</a> that protects eligible equipment is eligible as a data protection component, but no funding will be provided for UPS systems that can provide continued backup power for substantial periods in excess of that necessary for basic power protection.</p> <p>The following components used for the reliable operation of a UPS are eligible:</p> <ul style="list-style-type: none"> <li>• <a href="#">UPS Interface Expander</a></li> <li>• <a href="#">Relay I/O Module</a></li> </ul>
Interfaces, Gateways, Antennas	<p><a href="#">Interfaces</a>, <a href="#">gateways</a>, and <a href="#">antennas</a> represent miscellaneous components that are eligible when used for an eligible purpose to transport information from telecommunications or Internet access facilities to the individual classrooms or public areas of a library.</p> <p>The following components are generally eligible:</p> <ul style="list-style-type: none"> <li>• <a href="#">Bridge</a></li> <li>• <a href="#">Cable Modem</a> (but not for receipt of cable TV service; may also be leased as part of Internet access service)</li> <li>• <a href="#">Channel Service Unit/Data Service Unit (CSU)</a> (may also be leased as part of Priority One service)</li> <li>• <a href="#">Copper-to-Fiber</a></li> <li>• <a href="#">FRAD</a></li> <li>• <a href="#">Gateway</a></li> <li>• <a href="#">Interface/Edge Device</a></li> <li>• <a href="#">Network Interface Device</a></li> <li>• <a href="#">Media Converter</a></li> <li>• <a href="#">Terminal Adapter</a></li> <li>• <a href="#">Transceiver</a></li> <li>• <a href="#">Voice/Fax network module</a></li> </ul> <p><u>Eligibility limitations for antennas</u></p> <p><a href="#">Antennas</a> and related components, such as <a href="#">satellite</a> dishes used for eligible purposes, are eligible for discount if they are priced separately on a contract or are sold separately. Antennas embedded in ineligible equipment such as computer workstations are not eligible.</p> <p>While antenna <a href="#">masts</a> that support eligible Internal Connections are eligible, large antenna towers are not eligible as Internal Connections.</p>
Servers	<p>Computers used as <a href="#">servers</a> or similar centralized functions are eligible if the use is necessary to transport information to the individual classrooms or public areas of a library.</p> <p>A server may be eligible depending on how it is used. An</p>

	<p>eligible server must serve as a conduit for information rather than as a source for content. Servers typically provide multiple functions. If servers are used for both eligible and ineligible purposes, the cost of the ineligible portion must be removed by cost allocation. The following servers are eligible:</p> <ul style="list-style-type: none"> <li>• <a href="#">Dynamic Host Configuration</a> Protocol (DHCP)</li> <li>• <a href="#">Domain Name</a> Service (DNS)</li> <li>• <a href="#">E-mail</a></li> <li>• <a href="#">Firewall</a>, or <a href="#">Proxy Server</a></li> </ul> <p>The following servers are eligible only in certain cases:</p> <p><a href="#">Remote Access Components</a>— Eligible if steps are taken to ensure that remote access is limited to connections from eligible locations. Remote access cannot be provided to homes or other non-school or non-library sites, other than eligible school-based residences and dorms.</p> <p><a href="#">Terminal Server</a>— Eligible to the extent that the use meets the other eligible server types indicated in this section, but not eligible as a source for ineligible software applications or other ineligible uses.</p> <p><a href="#">Web Server</a>— Eligible if used to display content to users of the Internet, but not eligible as a source for software applications, database functions, or storage of end-user files.</p> <p>One <a href="#">monitor</a> per eligible server or other eligible component requiring a visual display is eligible for discount. However, special-purpose devices, such as large screen monitors, are not eligible.</p> <p>A <a href="#">KVM switch</a> (“keyboard-video-mouse” switch) is eligible if cost-effective in comparison to the individual components necessary.</p>
Software	<p>Specific types of computer <a href="#">software</a> are eligible for discount.</p> <p><a href="#">Operating system software</a>, such as network operating system software required to obtain operation of an eligible component, is eligible, including functionality provided with the core operating system at no cost. Additional software products available separately that provide optional operational features are not eligible for discount.</p> <p><a href="#">E-mail</a> software that is a server-based, shared product is eligible. If such a software product provides substantial additional functionality that is not eligible, such as <a href="#">archiving</a>, database, workflow, or groupware features, only the e-mail portion of the product is eligible and the cost of the ineligible portion must be <a href="#">cost allocated</a>.</p>

	<p>E-mail software or other eligible components that include content filtering as an integral component part are eligible, but a separately priced content filtering module or product is not eligible.</p> <p>Software for a server-based, shared <a href="#">voice mail</a> system is eligible.</p> <p>Software for server based, VoIP user licenses are eligible.</p> <p><a href="#">Client Access Licenses</a> for eligible software products are eligible.</p> <p><a href="#">Virtualization software</a> that is a server-based, shared product is eligible if used for an eligible server function. If such a software product is used for or provides substantial functionality that is ineligible, such as archiving, applications, network management, a cost allocation to remove the ineligible functionalities is required.</p>
Storage Devices	<p>Storage devices provide electronic data storage on magnetic or other media. Devices include <a href="#">hard disk drives</a>, CD ROM drives, DVD drives, and floppy disk drives.</p> <p>Storage products may be used to store the operating system of an eligible product, such as a network server used for an eligible purpose. (See the entry for <a href="#">Servers</a> for further information.) In addition, storage products may be used for eligible e-mail files but not for <a href="#">e-mail archiving</a>.</p> <p>An eligible server or other eligible component that provides a storage product, such as a DVD drive, as an integral component part, at no additional cost, is eligible.</p>
Telephone Components	<p>Centralized components that are an essential element in the transport of telephone services within a school or library are eligible. This includes:</p> <ul style="list-style-type: none"> <li>• <a href="#">Private Branch Exchange (PBX)</a></li> <li>• <a href="#">Key System (KSU)</a></li> <li>• <a href="#">Voice Mail</a> Components</li> <li>• <a href="#">Wireless</a></li> <li>• <a href="#">VoIP Telephony Equipment</a></li> </ul> <p>In addition, the following features are also eligible:</p> <ul style="list-style-type: none"> <li>• <a href="#">Automatic Route Selection (ARS)</a></li> <li>• <a href="#">E911 Reader Board</a></li> <li>• <a href="#">Voice Compression Module</a></li> <li>• <a href="#">Voice Interface Card</a></li> </ul> <p>One <a href="#">switchboard/attendant console</a> necessary for operation of</p>

	<p>each eligible PBX or eligible Centrex telephone service is eligible.</p> <p>An <a href="#">intercom system</a> that is an integral component of a PBX or other eligible product that is included in the cost of the eligible component is eligible.</p>
Video Components	<p>Centralized <a href="#">video</a> necessary to transport information to the individual classrooms or public areas of a library are eligible. This includes:</p> <ul style="list-style-type: none"> <li>• <a href="#">CODEC</a></li> <li>• <a href="#">Master Control Unit</a></li> <li>• <a href="#">Multipoint Control Unit</a></li> <li>• <a href="#">PVBX</a></li> <li>• <a href="#">Video Amplifier</a></li> <li>• <a href="#">Video Channel Modulator</a></li> <li>• <a href="#">Enhanced Multimedia Interface</a></li> </ul> <p>Equipment that is used to control the programming, distribution, and selection of video content may be eligible, if used in the transport of information to individual classrooms or public areas of a library. However, such components are not eligible if used in end-user equipment and/or are operated directly by end-users.</p>
Other Eligible Internal Connections Components	<p><a href="#">Documentation</a> in hard copy or electronic form is eligible for discount if it is basic and is provided as part of the purchase of eligible components.</p> <p><a href="#">Racks</a> are eligible only to the extent that the components they contain are eligible. A surge protector provided as an integral component of a rack or cabinet, without a separately identifiable cost can be included in the cost of the rack or cabinet, but a separately priced <a href="#">surge protector</a> is not eligible.</p> <p><a href="#">System improvements and upgrades</a> to eligible components are eligible for discount. Memory upgrades, for example, to eligible servers are eligible, but memory upgrades would not be eligible in end-user workstations.</p> <p>Please see the <a href="#">Miscellaneous</a> section of this document for additional entries applicable to Internal Connections, such as charges for installation and configuration.</p>

NOT Eligible for  
E-rate Funding  
as Internal  
Connections  
Components

Products and services are only eligible as Internal Connections if they are an essential element in the transmission of information within the school or library.

The following components are **NOT ELIGIBLE**:

- [Asbestos removal](#)
- [Broadcast](#)
- [Electrical system upgrades](#)
- Multimedia content, such as encyclopedias on CD ROM, video information, etc., and also [multimedia kits](#)
- [Intercom](#) and [public address \(PA\) system](#)
- [Spare parts](#)
- External [speakers](#) (except when provided at no cost as an integral part of an eligible component)
- [Test Equipment](#)
- [Consumable Kits](#) which contain installation tools
- Wiring and components providing electrical service or for radio or television broadcast or cable services
- [Network interface cards](#) that are embedded in ineligible equipment (such as end-user equipment) or included in the pricing for ineligible equipment
- [Phone modems](#) that are provided in or with end-user equipment, or used to provide dial-in access from ineligible locations such as homes or other non-school or non-library sites
- [Lightning Arrestor](#)
- [Surge Protector](#)
- [Power Distribution Units](#)
- [Power Strips](#)
- [Disaster Recovery](#)
- [Environmental Monitoring](#)
- Components that are installed in standby mode, redundant, not active and online, or otherwise not an essential element in the transmission of information within the school or library

Ineligible Servers:

- Storage of application software, databases accessed by end users, or end-user files other than e-mail files
- End-user [personal computers/workstations](#), even if the device also provides server functionality
- [Caching](#) server and print server. (However, caching and print server features provided by the core network operating system may be utilized if the principal function of the server is for other purposes that are eligible).
- [Laptop](#) (presumed to not be eligible because a laptop is typically used as an end user workstation).

#### Ineligible Software:

- All end-user software such as curriculum and productivity software
- [Softphones](#) for VoIP
- [Application Software](#) other than server-based, shared e-mail
- Software used to develop new applications
- [Network management](#) software
- Operating system software for end-user computers
- Security software/Utility software, such as anti-virus and anti-spam software
- Client Access Licenses for ineligible software products

#### Ineligible Storage:

- Devices used to supplement storage requirements of personal computers on a network. For example, storage devices are not eligible if used to store the following information: end-user files other than eligible e-mail files; application software; other ineligible software; archival information including archived e-mail files; [caching](#) information
- Storage devices in end-user components, such as end-user computer workstations
- Consumable [storage](#), such as floppy disks, recordable CD ROM media, and [cartridge magnetic tape](#)
- Video Content Storage

#### Ineligible Data Protection Components:

- [Intrusion Detection/Intrusion Prevention](#)
- [Online Backup Solutions](#)
- Tape backup cartridge units when part of a PC or workstation
- Cost of purchasing additional or separate tapes

#### Ineligible Interfaces, Gateways, Antennas:

[Antennas](#) and other components used for the receipt of over-the-air radio and television broadcast signals or for radio signals from cable television operators.

#### Ineligible Telephone Components:

- [Automatic Call Distribution System \(ACD\)](#)
- [Call Accounting System](#)
- [Call Sequencer](#)
- [Homework Hotline](#)
- [Station Message Detail Recording \(SMDR\)](#)
- An [intercom](#) or [public address](#) system

Ineligible End-user Equipment:

- [Computer workstations](#) including personal computers and laptops
- End-user telephone sets
- [Fax machine](#)
- Cameras
- Microphones
- Videotape recorders
- [Personal digital assistants](#), [smartphones](#), and [tablets](#)
- [CD/DVD player](#)
- [Pager](#)
- [Printer](#)
- [Two-way radio](#)
- End-user [Two-way radio](#) and end-user [voice mail](#) components such as answering machines are not eligible. In addition, telephone components not essential for the transport of telephone services within the school or library are not eligible (unless included as an integral component of a standard product offering for an eligible product, at no additional cost).
- [Interactive White Boards](#)

Ineligible Video Components:

- End-user video equipment and equipment for the creation of video content is not eligible for discount. Examples include video monitors, televisions, video cameras, and video recorders and playback devices.
- [Broadcast and cable television equipment](#) used for the display or distribution of broadcast and cable television signals

See the [Miscellaneous](#) section of this document for additional entries applicable to Internal Connections. For example, finance charges and termination charges are not eligible.



## Priority Two: Basic Maintenance of Internal Connections

Basic maintenance of internal connections (BMIC) ensures the necessary and continued operation of eligible internal connection components at eligible locations.

Funding will be provided for the eligible portion of a technical support contract that includes services that exceed BMIC, if the ineligible portion of the contract can be cost allocated. Technical support contracts that cannot be cost allocated to remove costs that are beyond BMIC, are ineligible in their entirety.

All requests in this category are for services to be delivered within the July 1 to June 30 Funding Year.

Although Internal Connections is subject to the provisions of the "[Two-in-Five Rule](#)," this rule does not apply to Basic Maintenance of Internal Connections ("BMIC").

### Maintenance and Technical Support of Internal Connections

Necessary basic maintenance services are defined as follows: "but for the maintenance at issue, the connection would not function and serve its intended purpose with the degree of reliability ordinarily provided in the marketplace to entities receiving such services without E-rate discounts." 47 C.F.R. § 54.502(a)(4)(ii). The following basic maintenance services are eligible:

- Repair and upkeep of eligible hardware
- Wire and cable maintenance
- Basic technical support
- Configuration changes

Basic maintenance is eligible for discount only if it is a component of a maintenance agreement or contract for eligible components. The agreement or contract must specifically identify the eligible components covered, including product name, model number, and location. Reimbursements for BMIC will be paid for the actual work performed under the agreement or contract.

### NOT Eligible for E-rate Funding as Basic Maintenance of Internal Connections

The following products and services are **NOT ELIGIBLE**:

- [Unbundled Warranties](#), including prepaid retainers for service that may not actually need to be performed.
- On-site technical support (*i.e.*, contractor duty station at the applicant site) when off-site technical support can provide basic maintenance on an as-needed basis, unless applicants present sufficient evidence demonstrating that on-site technical support is more cost-effective than utilizing off-site support.
- Services such as network management and 24-hour network monitoring.
- Help desks that provide a comprehensive level of

	<p>support beyond basic maintenance of only eligible components.</p> <p>In addition, software <a href="#">Client Access Licenses</a> are not eligible as Basic Maintenance. However, Client Access Licenses for eligible software products may be eligible in the Internal Connections funding category.</p> <p>Eligible basic maintenance does not include services to maintain ineligible equipment, to enhance the utility of equipment beyond the transport of information, or to provide diagnostic services in excess of those necessary to maintain the equipment's ability to transport information.</p>
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## Miscellaneous

Additional miscellaneous services associated with Priority One and Priority Two services are eligible for funding. When requesting these services on the FCC Form 471, applicants should list these miscellaneous services in the same category as the product or service being installed or obtained—Telecommunications Services, Internet Access, Internal Connections, or Basic Maintenance of Internal Connections. The miscellaneous services and products in this section related to Telecommunications should be requested in the Telecommunications Services or Internet Access category, depending upon the nature of the service provider.

Product Type (Function)	Description
Installation and Configuration	<p>Installation, activation, and initial configuration of eligible components are eligible if they are part of a contract or bid for those eligible components. Such eligible services may include basic design and engineering costs and basic project management costs, if these services are provided as an integral component of the installation of the relevant services.</p> <p>In addition, 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 a part of the contract or agreement for the equipment. Training must occur coincidentally or within a reasonable time after installation.</p>
Miscellaneous Fees and Charges	<p>Fees and charges that are a necessary component of an eligible product or service are generally eligible, including:</p> <ul style="list-style-type: none"> <li>• <a href="#">Change fees</a></li> <li>• <a href="#">Freight assurance fees</a></li> <li>• <a href="#">Shipping charges</a></li> </ul> <p>The following fees and charges are eligible only if a contract with a vendor for eligible product or services specifically provides for these costs:</p> <ul style="list-style-type: none"> <li>• <a href="#">Per diem</a></li> <li>• <a href="#">Travel time</a></li> </ul> <p>A manufacturer's multi-year warranty for a period up to three years and provided as an integral part of an eligible component, without a separately identifiable cost, can be included in the cost of the component.</p> <p>Lease fees to rent or lease eligible components are eligible.</p>

	<p>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.</p> <p>A reasonable <a href="#">contingency fee</a> is eligible only if it is a regular business practice of the service provider. This fee will be reimbursed only if the work is performed.</p>
Other Miscellaneous Components that are NOT Eligible	<p>In addition to items indicated in other sections of this Eligible Services List, the following items are <b>NOT ELIGIBLE</b> for discount:</p> <ul style="list-style-type: none"> <li>• Interest or finance charges</li> <li>• Late payment fees</li> <li>• Performance bond</li> <li>• Termination charges</li> </ul> <p>Any product or service that is <a href="#">duplicative</a> of a service for which funding has already been requested. Services that provide necessary bandwidth requirements, such as multiple T-1 lines, when appropriate for the population served and the services to be received are not duplicative.</p> <p><a href="#">Failover</a> products or services are not eligible. Any stand-alone products or services that are only utilized when the primary fails are not eligible.</p> <p>Broadcast television, cable television, Instructional Television Fixed Service (ITFS), and satellite television are not eligible for discount.</p> <p>Creation of software programs or functions, such as through computer programming is not eligible.</p> <p><u>Ineligible Installation and Configuration:</u> Consulting services not directly tied to and coincident with basic installation and configuration of eligible services are not eligible. Services and components that are <b>NOT ELIGIBLE</b> include, but are not limited to the following:</p> <ul style="list-style-type: none"> <li>• Initial planning to determine the technology and/or components to be deployed.</li> <li>• Network architecture design.</li> <li>• Development of technology plans.</li> <li>• Application assistance, program advice, and other activities not tied directly to actual installation and initial configuration of components.</li> <li>• Labor costs for school and library personnel.</li> <li>• Costs for contractor personnel to operate components.</li> <li>• Costs for <a href="#">network management</a> software, services,</li> </ul>

	<p>and equipment.</p> <ul style="list-style-type: none"> <li>• <a href="#">Test equipment</a> and tools.</li> <li>• End-user training, such as training of teachers and staff in the use of covered services in their programs of instruction or for professional development.</li> <li>• Construction costs, other than incidental charges to restore a facility to pre-installation conditions, except as described in the ESL entry for "<a href="#">Fiber or Dark Fiber</a>".</li> </ul>
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## Special Eligibility Conditions

The following section lists additional requirements relating to eligible services and products. The Universal Service Administrative Company also maintains documents providing more details regarding the administration of the E-rate program on the Schools and Libraries Division website, available at <http://www.usac.org/sl/>. These documents are not included by reference in this Eligible Services List.

Ancillary Use	<p>If a product or service includes ineligible functionality, then, in general, the proportionate cost of this functionality must be removed from funding requests through a cost allocation process. However, in certain limited cases, if any ineligible functionality is not significant and strictly ancillary to the principle uses of the product or service, the full product or service may be eligible for discounts.</p> <p>The following conditions are considered when evaluating whether ineligible functionality is ancillary: (1) a price for the ineligible component cannot be determined separately and independently from the price of the eligible components, and (2) the specific package remains the most cost-effective means of receiving the eligible services, without regard to the value of the ineligible functionality. In addition, the applicant may not be specifically seeking one or more of the ineligible components.</p> <p>Funding requests that include only a single price for components that contain both eligible and ineligible functionality, and fail to meet the requirements for Ancillary Use, are fully ineligible. Therefore, applicants are encouraged to utilize a cost allocation process to remove ineligible functionality whenever feasible. For further information, see <a href="#">Cost Allocation Guidelines for Products and Services</a>.</p>
Cost Allocation	<p>If a product or service contains both eligible and ineligible features, an applicant may use cost allocation so that partial funding can be provided. Any cost allocation must be based on tangible information that provides a reasonable and appropriate delineation between the eligible and ineligible components. When no cost allocation is provided for funding requests that require cost allocation, USAC will contact the applicant to request such cost allocation. See the USAC web document concerning cost allocation for additional information: see <a href="#">Cost Allocation Guidelines for Products and Services</a>.</p>
Eligible Users and	<p><u>Educational purposes</u>. E-rate support may be provided</p>

Locations	<p>only for eligible products or services that will be used primarily for educational purposes. Activities that are integral, immediate, and proximate to the education of students or the provision of library services to patrons, qualify as “educational purposes.” There is a presumption that activities on school or library property meet this standard.</p> <p>Residential schools that serve students with special circumstances – schools on Tribal lands; schools designated to serve students with medical needs; schools designed to serve students with physical, cognitive or behavioral disabilities; and schools where 35 percent or more of their students are eligible for the National School Lunch Program (NSLP) – are eligible for support. Some services outside of a school or library location may also be eligible for discount in certain cases, such as use by teachers or other school staff while accompanying students on a field trip or sporting event.</p> <p>The term “school or library property” includes a district office or similar facility, but does not include businesses or organizations separate from a school or library organization. For example, the facilities of a business that has contracted with a school to provide bus service do not constitute a location eligible for E-rate support.</p> <p>Employees of a school or library with a normal duty station at an eligible location are eligible users. Employees of a non-school or non-library activity, even if located on school or library property, such as a state government office with responsibilities other than education or library services (e.g., a division of motor vehicles), are not eligible users.</p>
Special Regulatory Requirements	<p><u>Telecommunications Services:</u> If the applicant seeks a telecommunications service, support will be available only if the telecommunications service is provided by a telecommunications carrier, that is, a company that offers telecommunications services on a common carriage basis. A telecommunications service is “the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public....” All telecommunications carriers must be common carriers and are required by the FCC to file FCC Form 499A (<i>Telecommunications Reporting Worksheet</i>). Supported telecommunications services provided by telecommunications carriers include all commercially available telecommunications services.</p> <p><u>Telecommunications:</u> Supported telecommunications can</p>

	<p>be provided in whole or in part via <a href="#">lit or dark fiber</a> by any entity, including non- telecommunications carriers. Telecommunications is defined as “the transmission, between or among points specified by the user, of information of the user’s choosing, without change in the form or content of the information as sent and received.”</p> <p><u>Internet access.</u> If the applicant seeks <a href="#">Internet access</a>, support will generally be available only for basic conduit access to the Internet. “Internet access” is defined in section 54.5 of the FCC’s rules. Some Internet access services may include features that are not themselves eligible, such as specialized content, caching services, and/or filtering services. In general, funding requests that provide only a single price for a product or service that contains both eligible and ineligible functionality are fully ineligible. However, cost allocation may be used to provide separate pricing for the eligible and ineligible components.</p>
Two-in-Five Rule	<p>The <a href="#">“Two-in-Five Rule”</a> allows each eligible entity to obtain support for Internal Connections funding requests every two out of five years. This limitation applies only to Internal Connections and not to requests appropriately categorized as Telecommunications Services, Internet Access, or Basic Maintenance of Internal Connections.</p>
Wide Area Networks	<ul style="list-style-type: none"> <li>• <u>WAN Restriction.</u> WANs cannot be built or purchased using E-rate support but WAN facilities may be leased.</li> <li>• <u>Lease of Wide Area Network Infrastructure.</u> Facilities that provide a <a href="#">Wide Area Network</a> may be leased by applicants as a Priority One service. Limitations apply to the reimbursements that are available for initial implementation costs (leased equipment and its installation) of service provider infrastructure. The <a href="#">Wide Area Network Fact Sheet</a> has further details about exclusive access limitations, amortization requirements, and other eligibility conditions for lease of Wide Area Network functionality.</li> <li>• <u>WAN Versus LAN Components (On-Premise Priority One Equipment).</u> For data and other networks, the distinction between <a href="#">Wide Area Network (WAN)</a> functionality and <a href="#">Local Area Network (LAN)</a> functionality is important. FCC rules establish a rebuttable presumption that a connection does not constitute an Internal Connection if it crosses a public right of way. In order to determine what may be properly funded as Internal</li> </ul>



	Connections, a demarcation point between a Wide Area Network service and the Local Area Network components must be established. This approach is described more fully in the web document <a href="#">On-premise Priority 1 Equipment</a> located in the SLD Reference Area of the USAC web site.
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## Glossary

800 Service ( <a href="#">Telephone Service</a> )	800 Service provides toll calling that is paid by the called party rather than the calling party. The name comes from the original Area Code used for all toll-free numbers. Current and future "800 Service" area codes use the convention 8NN, when N is a specific digit, for example 888, 877, and 866.
900/976 Call Blocking ( <a href="#">Telephone Service Components</a> )	Call Blocking is a monthly or recurring telephone company charge for the blocking of calls, such as to 900 or 976 numbers. The blocking prevents callers from completing calls to 900 or 976 numbers.
900/976 Charges ( <a href="#">NOT Eligible for Funding as Telecommunications Services</a> )	"900" is an area code used to reach a wide range of information providers. Examples of the information that may be provided via a 900 number are adult content programming, weather reports, lottery results, or caller voting for various topics such as television polls. 900 service calls are charged to the party originating the call. Charges for accessing 900 calls are often included in the toll charges on the local telephone bill. 976 service provides a local, pay-per-call telephone service.
911/E911 Trunks/Lines ( <a href="#">Telephone Service</a> )	911 and E911 trunks or lines are dedicated telecommunications links specifically or exclusively used for connection between a school/library and a Public Safety Answering Point (PSAP).
Access Point ( <a href="#">Data Distribution</a> )	An Access Point is a base station in a wireless LAN. Access points are typically stand-alone devices that may plug into an Ethernet hub or server or may provide a repeater function for wireless networks.
Alarm Telephone Line ( <a href="#">Telephone Service</a> )	An alarm telephone line is a telecommunications line specifically dedicated to a school or library burglar or fire alarm system. It may be the equivalent of a POTS line or a dedicated line between the school or library and the alarm company.
Antennas ( <a href="#">Interfaces</a> )	An antenna is a device for transmitting and/or receiving radio frequency signals.
Application Software ( <a href="#">Not Eligible for E-rate Funding as Internal</a> )	Application software applies to software accessed directly by end users, such as word processors, spreadsheets, utility, anti-virus,

<a href="#">Connections Components</a> )	and graphics programs.
Asbestos Removal ( <a href="#">Not Eligible for E-rate Funding as Internal Connections Components</a> )	Some older buildings were constructed using products that contain asbestos, which has been determined to be harmful to health. Renovations and installations in such buildings require special treatment, such as, asbestos removal.
Asynchronous Transfer Mode (ATM) ( <a href="#">Digital Transmission Services</a> )	ATM is a high-speed Digital Transmission Service that can provide bandwidth of 622 Megabits per second or higher.
Automatic Call Distribution System (ACD) ( <a href="#">Telephone</a> —Ineligible)	An Automatic Call Distribution (ACD) system, typically used with a PBX, provides a means of automatically distributing calls evenly on a next available agent basis, so that productivity is maintained and inbound calls are handled efficiently. The system also allows the monitoring of operation on a real-time basis. Additionally, some systems compile historic reports that may enable better utilization of resources for handling incoming calls.
Automatic Route Selection (ARS) ( <a href="#">Telephone Components</a> )	Automatic Route Selection (ARS) is a PBX and Centrex service that allows for automatic selection of the most efficient and cost-effective route. It may also be referred to as "least cost routing". By using the ARS feature, outgoing phone calls from PBX and Centrex stations are routed to the most cost-efficient service or facilities.
Bridge ( <a href="#">Interfaces</a> )	A bridge is a data communications device that connects two or more network segments, often translating information from one type of network protocol to another.
Broadband over Power Lines (BPL) ( <a href="#">Digital Transmission Services</a> ) ( <a href="#">Internet Access</a> )	Broadband over Power Lines (BPL) is a carrier current system installed and operated on an electric utility service as an unintentional radiator that sends radio frequency energy on frequencies between 1.705 MHz and 80 MHz over medium voltage lines or low voltage lines to provide broadband communications. It is also located on the supply side of the utility service's points of interconnection with customer premises.
Broadcast and Cable Television Equipment ( <a href="#">Video Components</a> —Ineligible)	Broadcast/cable equipment applies to equipment used in the transmission or receipt of broadcast TV, broadcast radio, broadcast satellite, or cable television service.

Broadcast “Blast” Messaging ( <a href="#">NOT Eligible for Funding as Telecommunications Services</a> )	Broadcast “Blast” Messaging is a service that allows for a message to be created and delivered to a user defined group typically via voice or text message.
Cable Modem ( <a href="#">Internet Access</a> ) ( <a href="#">Interfaces</a> )	A cable modem is a modem designed for use on a TV coaxial cable circuit and provides a high-speed data path. It can provide high-speed access to the Internet over a cable television line.
Cabling ( <a href="#">Cabling</a> )	Cabling refers to the wires or groups of wires capable of carrying voice, video, or data transmissions. Cabling provides electrical (or, in the case of fiber optics, lightwave) connectivity between points.
Caching ( <a href="#">Servers</a> —Ineligible) ( <a href="#">Storage Devices</a> —Ineligible)	Caching is a method that stores recently accessed information. Caching components, such as, caching servers, store information locally so that the information is accessible more quickly than if it must be transmitted across a network from a distant server.
Caching Service ( <a href="#">Not Eligible for E-rate Funding as Internet Access Services</a> )	A caching service is a special high-speed storage mechanism at the border of a network and the Internet that holds frequently accessed Internet information, thereby reducing retrieval times for information often requested from the Internet.
Call Accounting System ( <a href="#">Not Eligible for E-rate Funding as Internal Connection Components</a> )	<p>A Call Accounting System records information about telephone calls. It can provide comprehensive information about call costs by associating call records with users, phone extensions, or profiles.</p> <p>Such systems may include <a href="#">Station Message Detail Recording</a> (SMDR) or Call Detail Recording (CDR), which are software/hardware PBX components that provide the capability to generate reports on call details such as call duration, PBX station number, time and date, dialed number, and cost of call.</p>
Call Sequencer ( <a href="#">Not Eligible for E-rate Funding as Internal Connections Components</a> )	An Automatic Call Sequencer is a component used with a PBX or Key system. The call sequencer distributes incoming telephone calls among a select number of stations or telephones. Some call sequencers are designed to generate statistical reports on number of calls and how calls were handled.
Cartridge Magnetic Tape ( <a href="#">Not Eligible for E-rate</a> )	Cartridge magnetic tape is used in tape backup devices, and provides replaceable and archive

<a href="#">Funding as Internal Connections Components</a> )	storage capacity.
CD/ DVD Player ( <a href="#">Not Eligible for E-rate Funding as Internal Connections Components</a> )	A Compact Disc or Digital Video Disc (CD/DVD) Player is a device that plays or reproduces the music, voice, and/or video from a CD or Digital Video Disc.
Cellular Service ( <a href="#">Telephone Service</a> )	Cellular Service uses radio transmissions to provide a wireless telephone service.
Centrex ( <a href="#">Telephone Service</a> )	Centrex is a business telephone service that consists of a wide variety of features, such as, call forwarding and call transfer, provided by central office software.
Change Fees ( <a href="#">Miscellaneous Fees and Charges</a> )	Change fees are charges imposed for the modification of an existing service.
Channel Service Unit /Data Service Unit (CSU /DSU) ( <a href="#">Interfaces</a> )	A CSU/DSU is a device that terminates a digital channel at a customer's premises. A CSU/DSU often serves as a demarcation between a local network and wide area network facilities.
Circuit Cards ( <a href="#">Circuit Cards</a> )	Circuit cards provide microprocessors, transistors, and other components on a circuit board. Circuit cards often are designed to fit into a slot of a larger component, such as a telephone PBX, router, or computer.
Client Access Licenses ( <a href="#">Software</a> )	A Client Access License is a software licensing approach used by some vendors that provides authorization to access a software product.
CODEC / Video Encoder ( <a href="#">Video Components</a> )	A CODEC (coder/decoder), also known as a video encoder, is a device comprising an encoder and decoder in the same equipment. The CODEC produces a coded output and compresses and decompresses audio and video signals.
Conduit and Raceway ( <a href="#">Cabling</a> )	Conduit and raceway are metal or plastic pipe or channels used to protect cable.
Conferencing Services ( <a href="#">Digital Transmission Services</a> )	Conferencing Services provide a means for multiple users to participate in group discussions via telephone circuits or video facilities.
Connectors ( <a href="#">Cabling</a> )	Connectors are devices that connect wires or fibers.
Consumable Components ( <a href="#">Cabling</a> )	Consumables consist of miscellaneous components that are depleted with use, such as tape, splicing materials, labels, and wire wrap.

Consumable Kits ( <a href="#">Not Eligible for E-rate Funding as Internal Connections Components</a> )	Consumable Kits include installation tools and consist of miscellaneous components that are depleted with use, such as tape, splicing materials, labels, and wire wrap.
Contingency Fee ( <a href="#">Miscellaneous Fees and Charges</a> )	A contingency fee is a specific dollar allowance for possible unforeseeable elements that may occur within the scope of a project.
Copper-to-fiber (TX-to-FX) Converter ( <a href="#">Interfaces</a> )	A Copper-to-fiber converter, also known as a TX-to-FX converter, is a device that converts a copper connection to a fiber optic connection.
Couplers ( <a href="#">Cabling</a> )	Couplers are passive devices that accept one input broadband signal and replicate it onto another or multiple outputs.
Custom Calling Services ( <a href="#">Telephone Service Components</a> )	Custom calling services extend the features available with telephone service. Features available include (but are not necessarily limited to) call waiting, 3-way calling, speed calling, distinctive ring, and call forwarding.
Dark Fiber Service ( <a href="#">Dark Fiber</a> )	Dark fiber refers to fiber optic cable for which the service provider has not provided modulating electronics.
Digital Subscriber Line (DSL) ( <a href="#">Telecommunications/Internet Access</a> )	Digital Subscriber Line (DSL) is a technology that provides high-speed connections over telephone lines. Different types of DSL service are available, using descriptions such as ADSL, HDSL, and SDSL. The DSL family of technologies sometimes goes by the general name xDSL.
Direct Broadcast Satellite (DBS) ( <a href="#">Ineligible Telecommunications</a> )	Direct Broadcast Satellite (DBS) is a technology that uses satellite to transmit TV programs to subscribers. The transmitted signals are received using individual rooftop antennas. Program reception of the subscriber is limited to those channels broadcast by a specific provider.
Direct Inward Dialing (DID) ( <a href="#">Telephone Service Components</a> )	Direct Inward Dialing (DID) service allows outside calls to be directed to a Private Branch Exchange station line without the use of an operator.
Directory Advertising ( <a href="#">NOT Eligible for Funding as Telecommunications Services</a> )	Directory Advertising is advertising in a telephone directory yellow pages, Internet, or elsewhere. This may be provided by the telephone company or another entity.
Directory Assistance Charges ( <a href="#">Telephone Service</a> )	Directory Assistance Charges are those charges assessed for calls made to 411 or other Directory Assistance numbers such as (201)

	555-1212 for information. Typically charges are assessed on a per call basis.
Directory Listings ( <a href="#">NOT Eligible for Funding as Telecommunications Services</a> )	A telephone company directory contains an alphabetical listing, by name, of all telephone subscribers (except those requesting unlisted or non-published service). Typically, the initial directory listing is provided free of charge to the subscriber, but extra-cost services are available, such as additional listings, unlisted or non-published numbers, and bolded entries.
Disaster Recovery ( <a href="#">Not Eligible for E-rate Funding as Internal Connections Components</a> )	Disaster recovery describes a means of restoring service to a computer network that has suffered a disaster. Such costs may include the rental of a site that houses links and equipment that is modeled after the damaged network.
Distance Learning ( <a href="#">Digital Transmission Services</a> )	Distance Learning utilizes video and audio technologies to allow students who are remotely located from other students or the lecturer to participate interactively with the class.
Documentation ( <a href="#">Other Eligible Internal Connections Components</a> )	Documentation includes support material provided in the form of paper or electronic media. It may include diagrams, blueprints, equipment specifications, or instruction manuals for services and products.
Domain Name Registration ( <a href="#">Internet - Related Services</a> )	A Domain Name indicates an address of location on the Internet. For the e-mail address portion of a symbolic abc@xyz.org, the domain name is xyz.org. Domain Name Registration is the registering of the name and the charge associated with the registration process.
Domain Name Service (DNS) ( <a href="#">Internet Access</a> ) ( <a href="#">Servers</a> )	Domain names, such as <a href="http://www.fcc.gov">www.fcc.gov</a> , are alphabetic, so they are easier to remember than the IP addresses on which the Internet is based. A Domain Name Service translates the alphabetical names input by users into the IP addresses used by Internet devices.
DS-1 ( <a href="#">Digital Transmission Services</a> )	DS-1 is a type of Digital Transmission Service, and stands for "Digital Signal, level 1." It operates at a bandwidth of 1.544 megabits per second. Other DS levels—DS-2, DS-3, and DS-4—operate at higher bandwidths.
Duplicative Services ( <a href="#">Other Miscellaneous Ineligible Components</a> )	Duplicative services are those that deliver the same functionality, to the same population, in the same location, during the same period of

	time.
Dynamic Host Configuration Protocol (DHCP) ( <a href="#">Internet Access</a> ) ( <a href="#">Servers</a> )	Standard networks need each computer to have a unique address for communication to occur. Dynamic Host Configuration Protocol (DHCP) is a system that provides this unique address from a central computer so that each individual computer does not need to be separately configured.
E911 Reader Board ( <a href="#">Telephone</a> )	The E911 Reader Board is adjunct hardware for a PBX and is used to access E911 Emergency service.
Electrical System Upgrades ( <a href="#">Not Eligible for E-rate Funding as Internal Connections Components</a> )	Electrical system upgrades refer to products and services that provide, upgrade, or enhance the provision of electrical power.
E-mail ( <a href="#">Software</a> ) ( <a href="#">Servers</a> )	E-mail stands for "electronic mail." E-mail or electronic mail, is a system for sending text messages and other information across a network.
E-mail Archiving ( <a href="#">E-mail</a> ) ( <a href="#">Servers</a> ) ( <a href="#">Storage Devices</a> )	E-mail archiving is a form of electronic recordkeeping that often includes compressing e-mail files to make greater inbox space available.
E-mail Service ( <a href="#">E-mail</a> )	An e-mail service provides for the transmission of text messages and other embedded data such as file attachments. It also enables the transmission of messages over a local network or the Internet.
Enhanced Multimedia Interface (EMMI) ( <a href="#">Video Components</a> )	The EMMI is an interface that gives PC and workstation users on ATM networks the ability to send and receive full-motion, high quality video, CD quality stereo and high speed data. Signals are transformed into ATM cells and transported optically, using the Synchronous Optical Network (SONET) standard.
Environmental Monitoring Components ( <a href="#">Not Eligible for E-rate Funding as Internal Connections Components</a> )	Environmental monitoring components provide information about heat, humidity, or other factors in order to provide a warning system for conditions that may affect the correct operation of equipment. For example, an environmental monitoring card is sometimes available as an optional feature of an uninterruptible power supply and is used to monitor the environmental conditions of a rack, computer room, or data center.



Ethernet ( <a href="#">Digital Transmission Services</a> )	Ethernet is a type of Digital Transmission Service. Traditionally, Ethernet operates at a bandwidth commonly known as 10Base-T which is equivalent to 10 megabits per second (Mb/s). 100Base-T at 100 Mb/s and Gigabit (1,000Mb/s) are also available.
Faceplates ( <a href="#">Cabling</a> )	Faceplates are covers that fit over a jack, outlet, or dial.
Failover ( <a href="#">Other Miscellaneous Ineligible Components</a> )	Failover is generally a component or service which is activated if the primary component or service loses its capability to function.
Fax Machine ( <a href="#">Not Eligible for E-rate Funding as Internal Connections Components</a> )	A facsimile, or fax, machine is a device in which the image of a document is electronically transferred over the telephone network and printed out elsewhere.
Fiber Optics or Fiber ( <a href="#">Digital Transmission Services</a> )	Fiber Optics is a technology that uses light to transport information and can provide a Digital Transmission Service.
Filtering Service ( <a href="#">Not Eligible for E-rate Funding as Internet Access Services</a> )	A filtering service protects users from dangerous or inappropriate content most often by selectively blocking certain words or certain Internet sites.
Firewall ( <a href="#">Internet Access</a> ) ( <a href="#">Data Protection</a> ) ( <a href="#">Servers</a> )	A firewall is a hardware and software combination that sits at the boundary between an organization's network and the outside world, and protects the network against unauthorized access or intrusions.
Flat Rate ( <a href="#">Telephone Service</a> )	Local telephone companies use several methods to bill customers for local phone service, such as Flat Rate, Message Rate, and Local Measured Service. Flat Rate is a billing method for telephone service that, for a set price per month, provides a user an unlimited number of local calls.
FRAD ( <a href="#">Interfaces</a> )	A Frame Relay Assembler/Disassembler (FRAD) is a communications device that breaks a data stream into frames for transmission over a Frame Relay network and recreates a data stream from incoming frames. A Frame Relay router serves the same purpose but provides more intelligence in avoiding congestion.
Frame Relay ( <a href="#">Digital Transmission Services</a> )	Frame relay is a type of Digital Transmission Service. Frame relay networks in the United States support data transfer rates at T-1 (1.544 Mbps) and T-3 (45 Mbps) speeds.

Freight Assurances ( <a href="#">Miscellaneous Fees and Charges</a> )	Freight assurance fees are fees assessed to the purchaser for the guarantee of safe delivery to their premises of goods, <i>i.e.</i> , they provide shipping insurance.
Gateway ( <a href="#">Interfaces</a> )	A gateway is a network device that acts as an entrance to another network and often is used to connect two otherwise incompatible networks.
Hard Disk Drives ( <a href="#">Storage Devices</a> )	Hard disk drives are storage devices that consist of magnetic platters that spin like a record player and magnetic pickup devices, called heads, that are like the needle of a record player. The magnetic platters and heads are sealed in a vacuum in order to maintain tight tolerances and enhance service life.
Homework Hotline Equipment ( <a href="#">Ineligible for E-rate Funding for Internal Connections Components</a> )	Homework Hotline equipment includes an automated response or call routing system that provides information to callers about school assignments.
Homework Hotline Service ( <a href="#">Other Eligible Telecommunications</a> )	A Homework Hotline Service is typically provided as a toll-free telephone number for students to contact the school regarding questions on homework.
Hub ( <a href="#">Data Distribution</a> )	Hubs are central connection points for some types of local area networks with interconnecting cabling from many individual devices, such as computer workstations, printers, servers, and other hubs.
Inside Wire Maintenance Plan ( <a href="#">Telephone Service</a> )	An Inside Wire Maintenance Plan is a monthly recurring charge that provides for the repair, replacement, and maintenance of customer owned inside-premise wire. Cost of the service is sometimes included in regular monthly bills for local and long distance telephone services.
Integrated Services Digital Network ( <a href="#">Digital Transmission Services</a> )	Integrated Services Digital Network (ISDN) is a type of Digital Transmission Service that uses traditional phone lines to transmit digital voice and data over telephone lines. There are two types of service. Basic Rate Interface (BRI) provides a total bandwidth of 144 kilobits per second. Primary Rate Interface (PRI) provides a total bandwidth of 1.544 megabits per second.
Interactive Television ( <a href="#">Digital Transmission Services</a> )	Interactive TV (ITV) provides a means for a viewer to interact with the television set in ways other than controlling the channels,

	<p>volume, and/or handling videotapes. In an educational setting, such as in a school, ITV provides a means for teachers and students who are remotely located in different places to conduct a class and to interact with each other. ITV also requires a special "set-top box" to be added to the existing television set.</p>
<p>Interactive White Board (<a href="#">Not Eligible for E-rate Funding as Internal Connections Components</a>)</p>	<p>An Interactive White Board is a device that allows for end-users to display information with a vast array of interactive features such as online annotation, the ability to control a personal computer, and distance learning.</p>
<p>Intercom (<a href="#">Not Eligible for E-rate Funding as Internal Connections Components</a>)</p>	<p>An intercom is an internal communication system, originally consisting of multiple speaker/microphone devices connected into an amplifier system. Currently, most intercoms are a part of telephone systems, although separate intercom systems continue to be used in many schools.</p>
<p>Interconnected Voice over Internet Protocol (<a href="#">Interconnected VoIP</a>) (<a href="#">Telephone Service</a>) (<a href="#">Internet - Related Services</a>)</p>	<p>Interconnected VoIP is defined as a service that (1) enables real-time, two-way voice communications; (2) requires a broadband connection from the user's location; (3) requires Internet protocol-compatible customer premises equipment (CPE); and (4) permits users generally to receive calls that originate on the public switched telephone network and to terminate calls to the public switched telephone network.</p>
<p>Interface/Edge Device (<a href="#">Interfaces</a>)</p>	<p>An Interface or Edge Device is a physical device that can pass packets between some types of networks and an <a href="#">Asynchronous Transfer Mode</a> (ATM) network. The device may be a router or Ethernet-to-ATM switch that directly connects to an ATM network.</p>
<p>Internet Access (<a href="#">Internet Access</a>)</p>	<p>The definition of Internet access comes from section 54.5 of the FCC's rules which states that Internet access includes the following elements: 1) The transmission of information as common carriage; (2) The transmission of information as part of a gateway to an information service, when that transmission does not involve the generation or alteration of the content of information, but may include data transmission, address translation, protocol conversion, billing management, introductory information content, and navigational systems that enable users to access information services, and that do not affect the</p>

	presentation of such information to users; and (3) Electronic mail services (e-mail).
Internet Content ( <a href="#">Not Eligible for E-rate Funding as Internet Access Services</a> )	Internet Content refers to all forms of information that are available on the Internet, such as text, pictures, sound recordings, animation, and video clips.
Internet2 ( <a href="#">Not Eligible for E-rate Funding as Internet Access Services</a> )	Internet2 is a consortium of universities, industry, and government members that develop and deploy advanced network applications and technologies.
Intrusion Detection/Intrusion Prevention ( <a href="#">Ineligible Internal Connections Components</a> )	Intrusion Detection/Intrusion Prevention functions in addition to firewalls to monitor, detect, and deter threats to a network from external and internal attacks.
Key System (KSU) ( <a href="#">Telephone Components</a> )	A Key System, also known as Com Key System or a KSU, is a type of phone system that permits more than one telephone line, PBX extension, private line, or intercom line to appear on a single telephone.
KVM Switch ( <a href="#">Servers</a> )	A keyboard-video-mouse (KVM) switch is a switchbox that is used to control two or more computers from a single keyboard, monitor, and computer mouse.
Laptop / Notebook Computer ( <a href="#">Servers</a> —Ineligible)	A laptop or notebook computer is a lightweight, portable computer designed for mobility.
Lightning Arrestor ( <a href="#">Data Protection</a> —Ineligible)	A lightning arrestor is a device that protects equipment from lightning strikes and static.
Lit Fiber ( <a href="#">Telecommunications</a> )	Lit fiber refers to fiber optic cable for which the service provider provides modulating electronics to light the fiber.
Local Area Network ( <a href="#">Data Distribution</a> )	A Local Area Network (LAN) is a short distance data communications network used to link together computers and peripheral devices under some form of standard control. The LAN is most often connected by cabling or wireless links within the same building. A LAN consists of several components, including cabling, servers, computer workstations, network interface cards, printers, and data distribution equipment, such as network switches, hubs, and routers.
Local Measured Service ( <a href="#">Telephone Service</a> )	Local telephone companies use several methods to bill customers for local phone service, such as Flat Rate, Message Rate, and

	Local Measured Service. Local Measured Service typically allows an unlimited number of incoming calls. Outgoing calls beyond a certain threshold result in extra charges.
Local Phone Service ( <a href="#">Telephone Service</a> )	Local phone service is a service provided by a local exchange carrier (LEC). Phone lines from homes and businesses terminate at a central office of a LEC, which in turn connects to other local exchanges and to carriers for long distance service.
Long Distance Telephone Service ( <a href="#">Telephone Service</a> )	Long distance telephone service is provided by interexchange carriers and provides telephone service outside of a local calling area.
Mast ( <a href="#">Interfaces</a> )	A mast is a pole or structure on which an antenna is placed.
Master Control Unit ( <a href="#">Video Components</a> )	A Master Control Unit (MCU) is a device that controls the main operating functions of a video system.
Media Converter ( <a href="#">Interfaces</a> )	A media converter is a module that converts one type of media to another type of media for network compatibility. The actual media can vary, such as fiber, coax, or twisted pair.
Memory Modules / Random Access Memory (RAM) ( <a href="#">Circuit Cards</a> )	A memory module is the electronic holding place for instructions and data that a computer's microprocessor can reach quickly. The module usually holds multiple Random Access Memory (RAM) chips. Common types are SIMM, DIMM, RDRAM, and SDRAM.
Message Rate Service ( <a href="#">Telephone Service</a> )	Local telephone companies use several methods to bill customers for local wireline service, such as Flat Rate, Message Rate, and Local Measured Service. Message Rate Service provides a certain number of "call units." Various call lengths and distances can use a different number of call units. Calls in excess of the message rate allocation result in additional charges.
Mobile Hotspot Service ( <a href="#">Internet Access</a> )	Mobile hotspot service allows certain mobile devices to share their high speed mobile broadband with other users wirelessly.
Monitor ( <a href="#">Servers</a> )	A monitor is the video display unit (television screen) that is used to display information from a computer.
Multimedia Kits ( <a href="#">Ineligible Internal Connections Components</a> )	Multimedia kits provide a package of hardware and software that adds multimedia capabilities to a computer. A multimedia kit may include a

	CD ROM or DVD player, a sound card, speakers, and a bundle of CD ROMs.
Multiplexer ( <a href="#">Data Distribution</a> )	A multiplexer is electronic equipment that allows two or more signals to pass over one communications circuit. The circuit may be a telephone line, dedicated line, or radio signal. It provides an economic approach for transporting, for example, up to 24 voice-grade lines on a single circuit.
Multipoint Control Unit ( <a href="#">Video Components</a> )	A Multipoint Control Unit (MCU) is a bridging or switching device used for multipoint videoconferencing.
Network Interface Cards (NICs) ( <a href="#">Circuit Cards</a> )	Network interface cards (NICs) are electronic devices that connect workstations, servers, or other devices to a network. NICs work with the network software and computer operating system to transmit and receive messages on the network.
Network Interface Device ( <a href="#">Interfaces</a> )	A Network Interface Device (NID) is a component installed between a telephone network and the inside wire of a customer premises. The NID is usually provided by the telephone company and is the transition, or demarcation point, between the company's network and the customer's inside wiring.
Network Management ( <a href="#">Software</a> —Ineligible)	Network Management is a system of equipment or software used in monitoring, controlling, and managing a communications network.
Network Switch ( <a href="#">Data Distribution</a> )	A switch is a mechanical or electronic device that completes or breaks an electrical path or that selects the paths for communication. More specifically, network switches provide capability similar to a network hub but provide a dedicated bandwidth at each network port, rather than shared bandwidth among all ports.
OC-1 ( <a href="#">Digital Transmission Services</a> )	OC-1 stands for "optical carrier 1," which is a Digital Transmission Service that operates at 51.84 Megabits per second. Multiples of this bandwidth are also available, such as, OC-3 and OC-12.
Online Backup Solution ( <a href="#">Not Eligible for E-rate Funding as Internet Access Services</a> ) ( <a href="#">Ineligible Internal Connection Components</a> )	An Online Backup Solution provides off-site data storage generally accessible from any Internet connection.
Operating System Software	Operating System software enables the basic

( <a href="#">Software</a> )	operations of a computer system or other electronic device. For example, it can configure the communication paths between memory and storage, and provides basic functions for other software to operate correctly.
Pager ( <a href="#">Ineligible Internal Connections Components</a> )	A Pager (also known as a Beeper) is the receiving end of a paging service and is a small device worn on the belt or carried in a handbag. Pagers may provide text or voice messages, or both.
Paging Services ( <a href="#">Paging</a> )	Paging is a service designed to deliver a message to a person whose exact location is unknown. The service employs radio signals that activate a paging receiver carried by the intended recipient to deliver a text, numeric, or voice message.
Payphone Telephone Service ( <a href="#">NOT Eligible for Funding as Telecommunications Services</a> )	Payphone (or coin) telephone service is provided in a public or semi-public place and requires the use of coins, credit card, pre-paid card, or other means of payment at the time of placing the call.
Per Diem ( <a href="#">Miscellaneous Fees and Charges</a> )	Per diem is a dollar amount designated to a vendor for daily expenses, such as, lodging and food. It may or may not include travel time.
Performance Bond ( <a href="#">Other Miscellaneous Ineligible Components</a> )	A Performance Bond, also known as a Bid Bond, is a legal obligation, generally obtained by the vendor or contractor from a third party, that guarantees the terms of the contract or agreement will be met. In the event of default or failure to meet the terms, the bond would be used to complete the contracted work.
Permanent Virtual Circuit (PVC) ( <a href="#">Digital Transmission Services</a> )	Permanent Virtual Circuits (PVCs) are shared connections between end-points. PVCs play a central role in Frame Relay networks. They are also supported in some other types of networks, such as, X.25.
Personal Communications Services (PCS) ( <a href="#">Telephone Service</a> )	Personal Communications Services (PCS) is a digital wireless telecommunications service, similar to cellular service, but operating on different radio frequencies.
Personal Computers/ Workstations ( <a href="#">Servers</a> —Ineligible) ( <a href="#">Ineligible Internal Connections Components</a> )	Personal computers, or workstations, are computers designated or designed as end-user equipment. They may operate in a stand-alone environment or may be connected to a host computer as part of a network. They are differentiated from computers configured as



	servers that are designed to route information to and from end-user equipment.
Personal Digital Assistant (PDA) ( <a href="#">Ineligible Internal Connections Components</a> )	A Personal Digital Assistant (PDA) is a handheld device that can provide several functions such as calendaring, telephone, and e-mail. Some PDAs may also have wireless networking features.
Phone Calling Cards ( <a href="#">Telephone Service</a> )	Phone Calling Cards generally have the appearance of a credit card and provide a means to make long distance calls from any phone. Charges for the call are subtracted from the calling card balance or are included in the calling card subscriber's monthly phone bill.
Phone Modems ( <a href="#">Circuit Cards</a> )	Phone modems are devices that convert data signals into suitable form for transmission and receipt over a telephone line.
POTS ( <a href="#">Telephone Service</a> )	"POTS" stands for "Plain Old Telephone Service" and provides local telephone dial-tone service.
Power Strips/Power Distribution Units(PDU) ( <a href="#">Ineligible Internal Connections Components</a> )	A Power Strip is a group of sockets that allow for multiple power cords to plug into a single device. A Power Distribution Unit is a power strip designed for data centers or racks with greater capacity and features than a power strip.
Printer ( <a href="#">Ineligible Internal Connections Components</a> )	A printer is a device that receives computer information and prints it on paper.
Private Branch Exchange (PBX) ( <a href="#">Telephone Service</a> )	A PBX is a centralized telephone switching system located at a business or organization site. The PBX provides internal station-to-station dialing and access to the public switched network.
Processor Terminator Card ( <a href="#">Circuit Cards</a> )	A processor terminator card is a device installed in a multi-processor computer to signal the computer that only one processor is installed.
Proxy Server ( <a href="#">Data Protection</a> ) ( <a href="#">Servers</a> )	A proxy server is a device that sits between "trusted clients" (e.g., workstations inside an organization) and "untrusted clients" (e.g., the Internet) that provides security features and often times address translation. To the "untrusted clients", communication appears to be taking place with the proxy, even though the communication is passed to and from the trusted clients.



Public Address (PA) System ( <a href="#">Ineligible Internal Connections Components</a> )	A Public Address System allows the user to make announcements through the use of amplifiers and speakers.
PVBX ( <a href="#">Video Components</a> )	A Private Video Branch Exchange (PVBX) is a PBX designed for video information. A PVBX can link classrooms or other locations together and can interconnect end-user and other equipment, such as cameras, monitors, and videocassette recorders.
Racks and Cabinets ( <a href="#">Other Eligible Internal Connections Components</a> )	A rack is a metal supporting framework for mounting cables, equipment, and/or wires. A cabinet is an enclosure for equipment, terminating cables, connection devices, and/or wires.
Radio Loop ( <a href="#">Telephone</a> )	Radio Loop is provided by a local exchange telecommunications carrier and is also called Basic Exchange Telecommunications Radio Service (BETRS). BETRS is used by local telephone companies to provide dial tone to subscribers in certain circumstances, such as when it is either not technically possible or not cost-effective to provide the service by conventional means.
Relay I/O Module ( <a href="#">Data Protection</a> )	A Relay I/O Module allows protection by an Uninterruptible Power Supply (UPS) for equipment not pre-designed for a UPS interface.
Remote Access Components ( <a href="#">Servers</a> )	Remote access components, such as a remote access router or communications server, allow users to access network resources by dialing in from an off-site location in order to connect their local computer with network devices. Dialing in most cases typically utilizes standard telephone lines but, in some cases, may be based on other technologies.
Reverse Directory Assistance ( <a href="#">NOT Eligible for Funding as Telecommunications Services</a> )	Reverse Directory Assistance is a service that can use a phone number to provide the name and, in some cases, the address of the subscriber of that phone number.
Router ( <a href="#">Data Distribution</a> )	Routers are switching devices that can act as an interface between two networks and connect different segments, such as departments or floors in a building. Functionally, routers select the routing path for traffic, may provide features such as load balancing, and can provide trouble-shooting diagnostic capabilities.
Satellite Dishes	Satellite Dishes are antennas capable of

( <a href="#">Interfaces</a> )	receiving signals from and, in some cases, transmitting signals to communications satellites.
Satellite Service ( <a href="#">Digital Transmission Services</a> )	Satellite service provides communication between points on Earth by using an orbiting satellite as a communications relay point.
Servers ( <a href="#">Servers</a> )	Servers are computers on a local area network that can provide access to files, software, printers, or other features that are shared among multiple users.
Shared Telephone Service ( <a href="#">Telephone</a> )	Shared telephone service involves the sharing of a single service between two or more entities. As an example, a telephone line may be shared between a parochial school and the church administrative offices; only that portion of the service relating to the school would be eligible.
Shipping Charges ( <a href="#">Miscellaneous Fees and Charges</a> )	Shipping Charges are the charges associated with the delivery of products from their point of origin to the customer premises.
Smartphone ( <a href="#">Not Eligible for E-rate Funding as Internal Connections Components</a> )	Mobile phone that offers more advanced computing ability and connectivity than a contemporary feature phone.
Softphone ( <a href="#">Not Eligible for E-rate Funding as Internal Connections Components</a> )	A Softphone is end-user application software that allows users the use of a personal computer's microphone and speakers to make telephone calls.
Software ( <a href="#">Software</a> )	Software is distinct from physical computer hardware and refers to the detailed instructions that operate a computer.
Spare Parts ( <a href="#">Not Eligible for E-rate Funding as Internal Connections Components</a> )	Spare parts are components on hand to replace hardware that fails.
Speakers ( <a href="#">Not Eligible for E-rate Funding as Internal Connections Components</a> )	Speakers are the components that provide sound from a computer, phone, intercom, or other device.
Station Message Detail Recording (SMDR) ( <a href="#">Not Eligible for E-rate Funding as Internal Connections Components</a> )	Station Message Detail Recording (SMDR) and Call Detail Recording (CDR) are software/hardware PBX components that provide the ability to generate reports on call details. Those details include, but are not limited to, call duration, PBX station numbers, time and date, trunk route, dialed number, and

	cost of call.
Storage Media ( <a href="#">Not Eligible for E-rate Funding as Internal Connections Components</a> )	Storage media includes products such as floppy disks and recordable CD ROM that provide replaceable storage.
Surge Protector ( <a href="#">Not Eligible for E-rate Funding as Internal Connections Components</a> )	Surge protectors provide electrical AC power outlets with circuitry that protects equipment against voltage spikes and electrical disturbances.
Switchboard / Attendant Console ( <a href="#">Telephone Components</a> )	The operation of a PBX or Centrex system may require the use of a switchboard or attendant console for the transfer of incoming calls to the appropriate extension when systems are not equipped with Direct Inward Dialing. The switchboard or attendant console may include Direct Station Selection (DSS), which provides an easy means for transferring calls.
Switched Multimegabit Data Service (SMDS) ( <a href="#">Digital Transmission Services</a> )	Switched Multimegabit Data Service (SMDS) is a type of Digital Transmission Service offered by telephone companies that operates at speeds of from 1.544 Megabits per second to 45 Megabits per second or even more.
System Improvements and Upgrades ( <a href="#">Other Eligible Internal Connections Components</a> )	A system improvement or upgrade provides enhanced functionality to an existing product or configuration of products.
T-1 ( <a href="#">Digital Transmission Services</a> )	T-1, which stands for Trunk Level 1, is a Digital Transmission Service that operates at 1.544 Megabits per second. Greater speeds are available from other Trunk Levels, such as T-2 (6.312 Mbps) or T-3 (44.736 Mbps). Slower speeds are known as Fractional T-1.
Tablet ( <a href="#">Not Eligible for E-rate Funding as Internal Connections Components</a> )	A complete mobile computer, larger than a mobile phone or personal digital assistant, integrated into a flat touch screen and primarily operated by touching the screen. It often uses an onscreen virtual keyboard or a digital pen rather than a physical keyboard.
Tape Backup ( <a href="#">Data Protection</a> )	Tape Backup units provide copies of computer files on magnetic tape, for protection against a catastrophic failure. Tape backup technologies include QIC, DAT, 8mm, DLT, AIT, and ADR.
Telephones ( <a href="#">Not Eligible for E-rate Funding as Internal Connections Components</a> )	Telephones, also known as telephone sets, telephone instruments, digital voice terminals, and voice terminals, are the end-user equipment used to transmit and receive

	telephone communications.
Terminal Adapter ( <a href="#">Interfaces</a> )	A Terminal Adapter (TA) is a device that connects a computer to an external digital communications line, such as, an ISDN line.
Terminal Server ( <a href="#">Servers</a> )	A Terminal Server is a specialized server that connects multiple terminals into a network. Traditionally, terminal servers were used to connect multiple “dumb” terminals into network resources. Today, they are also used to provide increased connectivity and performance for older computers workstations.
Termination Charges ( <a href="#">Other Miscellaneous Ineligible Components</a> )	Termination charges are fees assessed for the removal or discontinuation of a product or service.
Test Equipment ( <a href="#">Not Eligible for E-rate Funding as Internal Connections Components</a> )	Test Equipment is used to test hardware, software, cable continuity, telecommunications links, etc.
Text Messaging ( <a href="#">Telephone Service Components</a> )	Text messaging or short message service (SMS) is a service that enables the transmission of alphanumeric messages, typically up to 160 characters.
Transceiver ( <a href="#">Interfaces</a> )	A transceiver is a device that transmits and receives analog or digital signals. The term is used most frequently to describe the component in local area networks (LANs) that actually applies signals onto the network wire and detects signals passing through the wire. For many LANs, the transceiver is built into the network interface card (NIC).
Travel Time ( <a href="#">Miscellaneous Fees and Charges</a> )	Travel time refers to the time required for service provider personnel to travel to and/or from locations to provide eligible services.
Trunk lines ( <a href="#">Digital Transmission Services</a> )	A trunk line is a communications path between two switching systems, such as equipment in a telephone company central office and a Private Branch Exchange (PBX). Central Office trunks connect a PBX to the central office switching system at the central office. Tie trunks connect two PBXs together.
Two-Way Radio ( <a href="#">Not Eligible for E-rate Funding as Internal Connections Components</a> )	Two-way radios are wireless end-user devices used to communicate, typically over short distances.
Unbundled Warranty ( <a href="#">Not Eligible for E-rate</a> )	A separately priced warranty allowing for broken equipment to be fixed or, in the event

<a href="#">Funding as Basic Maintenance of Internal Connections</a>	that the problem is beyond repair, replaced.
Uninterruptible Power Supply (UPS) / Battery Backup ( <a href="#">Data Protection</a> )	An Uninterruptible Power Supply (UPS), also called a battery backup, is a device that provides backup electric energy to a piece of equipment in the event of a power failure.
UPS Interface Expander ( <a href="#">Data Protection</a> )	A UPS Interface Expander allows an Uninterruptible Power Supply (UPS) to provide power management to multiple devices.
Video Amplifier ( <a href="#">Video Components</a> )	A Video Amplifier is a device that strengthens the level of a video signal.
Video Channel Modulator ( <a href="#">Video Components</a> )	A Video Channel Modulator is a distribution box that takes standard video and audio input from video cameras, recorders, and other video components and distributes the signals to end users.
Video Components ( <a href="#">Video Components</a> )	Video components provide the capabilities and technologies to enable moving images on television screens or computer monitors.
Video Content Storage ( <a href="#">Other Eligible Internal Connections Components</a> )	Video content storage enables the storage of videos and makes such videos available for retrieval at any given time.
Video Service ( <a href="#">Digital Transmission Services</a> )	Video services involve the transmission of visual images.
Virtualization software ( <a href="#">Software</a> )	Virtualization software allows for the creation of multiple virtual servers on a single server. The virtual servers share the hardware of the server upon which the software is installed.
Virtual Private Network (VPN) Components ( <a href="#">Data Protection</a> )	A Virtual Private Network (VPN) uses encryption and/or tunneling services in order to provide highly secure communication over the public Internet or in some cases over point-to-point links.
Voice Compression Module ( <a href="#">Telephone Components</a> )	A Voice Compression Module allows voice and fax traffic to share the same lines as data and LAN traffic.
Voice Interface Card ( <a href="#">Telephone Components</a> )	Voice Interface Cards (VIC) are usually components of a router or PBX system that interface with internal systems and the public switched telephone network. Examples include FXO Cards, E&M Cards, and FXS Cards.
Voice Mail Components ( <a href="#">Telephone Components</a> )	Voice mail components allow users to receive voice messages left by telephone callers and may have other features, such as message

	forwarding.
Voice Mail Service ( <a href="#">Voice Mail Service</a> )	A voice mail service allows users to receive voice messages left by telephone callers and may have other features such as message forwarding. A voice mail service is classified as an information service that is distinct from a telecommunications service or Internet access.
Voice/Fax Network Module ( <a href="#">Interfaces</a> )	A Voice/Fax module is an access product that enables the transmission of multiprotocol data—voice, fax and LAN--over telecommunications services.
Voice/Video over IP (VoIP) Components ( <a href="#">Data Distribution</a> )	Voice/video over IP (VoIP) components refer to equipment that utilizes the TCP/IP suite of protocols to provide voice and/or video communications.
Web Casting ( <a href="#">Not Eligible for E-rate Funding as Internet Access Services</a> )	Web Casting is a service provided over the Internet that delivers news or other content via web browser software or to an E-mail address. A user accesses a Web Casting site and chooses what news or content he/she wants to be informed about. Information content is then periodically delivered by the Web Casting supplier.
Web Hosting ( <a href="#">Internet - Related Services</a> )	A web hosting service is one that hosts a school's or library's website.
Web Server ( <a href="#">Servers</a> )	A web server is a computer server used to provide information to Internet users and can also be used to provide web-based software applications and other web-based functions.
Web Site Creation Fee ( <a href="#">Not Eligible for E-rate Funding as Internet Access Services</a> )	A web site creation fee is a separate charge for creating a website.
Wide Area Networks (WANs) ( <a href="#">Digital Transmission Services</a> )	A wide area network is 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.
Wire Managers ( <a href="#">Cabling</a> )	Wire managers are wire restraints to house or arrange wiring and cabling. They can be aluminum or plastic and may be rack-mountable.
Wireless Internet Access Service ( <a href="#">Internet Access</a> )	Wireless Internet Access Service provides Internet access to portable devices or other devices capable of receiving a wireless service.
Wireless Local Area Network	A Wireless Local Area Network provides the

( <a href="#">Data Distribution</a> )	functionality of a local area network using wireless components rather than cabling.
Wireless Local Area Network Controller ( <a href="#">Data Distribution</a> )	A Wireless Local Area Network Controller is used in conjunction with access points to create a wireless local area network.
Wireless PBX Adjunct ( <a href="#">Telephone Components</a> )	A Wireless PBX Adjunct functions in conjunction with a Private Branch Exchange to enable use of cordless telephones on an organization's premises.
Wireless Telephone Services ( <a href="#">Telephone Service</a> )	Wireless telephone services provide connection to the public switched telephone network similar to traditional phone service, but utilize portable electronic devices and radio frequencies rather than hard-wired handsets.
Workstation ( <a href="#">Not Eligible for E-rate Funding as Internal Connections Components</a> )	See the entry for <a href="#">Personal Computers/Workstations</a> for additional information.

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## SCHOOLS AND LIBRARIES PROGRAM

# NEWS BRIEF

May 1, 2015

**TIP OF THE WEEK:** If you have not yet certified your timely filed FCC Form 471, do so on or before May 26, 2015 (see below). Forms certified after this date will be considered out of window.

### Commitments for Funding Years 2014 and FY2013

**Funding Year 2014.** USAC will release Funding Year (FY) 2014 Wave 52 Funding Commitment Decision Letters (FCDLs) on May 6. This wave includes commitments for approved Priority 1 (Telecommunications Services and Internet Access) requests at all discount levels. As of May 1, FY2014 commitments total over \$2.20 billion.

**Funding Year 2013.** USAC will release FY2013 Wave 88 FCDLs on May 7. This wave includes commitments for approved Priority 1 requests at all discount levels. As of May 1, FY2013 commitments total over \$2.15 billion.

On the day the FCDLs are mailed, you can check to see if you have a commitment by using USAC's [Automated Search of Commitments](#) tool.

### Gift Rule Reminders

In order to provide for a fair and open competitive bidding process, the E-rate rules impose significant restrictions on the direct or indirect solicitation or acceptance of gifts, gratuities, favors, entertainment, loans or any other thing of value by E-rate applicants from service providers or prospective service providers. The rules also significantly restrict the gifts, gratuities, favors, entertainment or any other thing of value that E-rate service providers or prospective service providers can offer or provide E-rate applicants.

As a general matter, the gift rules under the E-rate program permit certain *de minimis* gifts. Such gifts are limited to the following:

- Modest refreshments not offered as part of a meal (e.g., coffee and doughnuts provided at a meeting)
- Items with little intrinsic value intended solely for presentation (e.g., certificates and plaques)
- Items worth \$20 or less (e.g., meals, pencils, pens, T-shirts, and other items worth \$20 or less, including meals) as long as those items do not exceed \$50 per funding year per employee from any one source. "One source" includes all employees, officers, representatives, agents, independent contractors, and directors of a service provider.

Applicants may not accept gifts with a retail value greater than \$20, which include but are not limited to gifts for attending seminars, marketing calls or trainings.

There are certain exceptions to the gift restrictions. We encourage applicants and service providers to review the rules and make sure they are familiar with the requirements and the exceptions.

### FY2015 Extended Deadline for FCC Form 471 Certifications

Next Tuesday, USAC will issue just under 2,790 letters to applicants that submitted an FCC Form 471 online before the close of the filing window but that have not yet certified that form.



**If you do not certify your timely filed FCC Form 471 on or before May 26, 2015, it will be considered out of window.** You can certify your form online or on paper.

To certify your form either online or on paper, click the Certify button on the [FY2015 FCC Form 471 main page](#). Then enter your application number and security code, and click Log In.

To certify online, you must have a Personal Identification Number (PIN).

- Click the Certify Online button.
- Enter your PIN and affirm your compliance with the Terms and Conditions of using your PIN to certify a program form online.
- Click Certify.

If you do not have or cannot locate your PIN, you must certify on paper.

- Click the Display and Print Certification button.
- Print a copy of your certification page and sign and date it.
- Make a copy of your signed certification page for your records.
- Fax or mail your signed certification page to USAC using the contact information provided.

To verify that your form has been certified, go to the [FY2015 FCC Form 471 main page](#) and click the Display button. Enter your FCC Form 471 application number and click Display. The date your form was certified will appear in the upper right-hand corner of the form, to the right of the caption "Date Certified."

NOTE: If your timely filed form is certified after April 16 but on or before May 26, USAC will update the "Date Certified" entry after all paper certifications have been received and processed, thereby moving your form in-window.

## More Information on the PIA Review Process

In [last week's SL News Brief](#), we covered the two main components of the Program Integrity Assurance (PIA) review process – Initial Review and Final Review. In this issue we cover in more detail some of the PIA questions about services asked during Initial Review.

### Products and services in the funding request

In the Key Information section of an FCC Form 471 funding request, you provide a narrative description of the specific products and services for which you are requesting discounts. You may also have provided details to your PIA reviewer, such as a product specification or configuration in the narrative section of the funding request.

The initial reviewer may need to ask you questions to clarify the specific type of services being received, the quantity and function of those services, and/or planned use(s) or users of the services in order to make a determination of eligibility.

### Eligibility of the products and services in the funding request

In general, the products and services will fall into one of four categories as a result of Initial Review: eligible, conditionally eligible, partially eligible, or ineligible.

**Eligible products and services.** The initial reviewer determines whether the products and services in a funding request are eligible for discounts based on entries in the [Eligible Services List](#) for the funding year and other program guidance. Eligible products and services also must be used by eligible entities in eligible locations for eligible purposes. These determinations are first made during Initial Review.

If one or more of the products and/or services in a funding request appear to be conditionally eligible, partially eligible, or ineligible (see below), the initial reviewer must perform additional review work. For example:

- **Certain charges on telephone bills are eligible and others are not.** PIA may ask for a breakdown of a line item on a telephone bill labeled "Miscellaneous Charges" or "Other Charges and Credits." In this case, you should provide only the relevant portion of a telephone bill that itemizes those charges and credits. It is not necessary to provide pages with the itemized calls.

**Conditionally eligible products and services.** Products and services are conditionally eligible if they are eligible only when used under certain conditions – that is to say, in specific circumstances or for specific purposes. For example:

- **Servers are conditionally eligible depending on their use(s).** PIA will ask what function(s) a server will perform. Remember that servers are only eligible for FY2015 if they are used as caching servers.
- **Basic maintenance is only eligible if it is for eligible products and services.** Remember that the eligibility of some products and services has changed for FY2015.

If a product or service is conditionally eligible, the initial reviewer must determine the conditions under which the product or service will be used. The reviewer will pay attention to all information in the [Eligible Services List](#) that may affect eligibility.

**Partially eligible products and services.** In some cases, products and services may be partially eligible for discounts.

Generally, if a product or service has both eligible and ineligible uses or components, applicants must provide a [cost allocation](#). A cost allocation is easiest to perform when the separation between eligible and ineligible components is clear – e.g., when your service provider prices each component of the product or service separately. In some cases, your service provider may be able to provide the cost allocation for you.

Cost allocations must be based on tangible criteria that reach realistic results. There is not a single prescribed method to accomplish this. Below are some examples of cost allocations that USAC has accepted in the past:

- Products and services that support equipment that is partially eligible should reflect that partial eligibility. For example, if the equipment supported by an Uninterruptible Power Supply (UPS) is 60% eligible, the UPS can be considered 60% eligible as well.
- You can produce usage statistics to allocate services that are accessible from both eligible and ineligible locations. For example, say that a telecommunications service is accessible from both a school administrative office and an ineligible facility. You can allocate costs for the percentage of the usage for the school administrative office (eligible) and the ineligible facility (ineligible) based on documentation of current usage.
- Check with your service provider to see if USAC has already made a determination about cost allocation for a product or service based on information previously submitted to USAC by the service provider. Providing the SKU for that product or service to your reviewer can speed up the review process.

Sometimes the components that are ineligible cannot be easily separated from the eligible components. For example, an Internet access service often includes an ineligible spam filter. If such a product or service meets both of the following conditions, USAC can consider this to be an [ancillary use of ineligible components](#) and a cost allocation is not required:

- A separate price for the ineligible component(s) cannot be determined, and
- The product or service is the most cost-effective means of obtaining the eligible functionality without regard to the value of the ineligible functionality.

**Ineligible products and services.** USAC may determine that one or more of the products and services included in your funding request are not eligible for discounts. Your reviewer will contact you if your request must be modified or denied. You will have an opportunity to respond and your response will be included in the review of your application.

You generally have three options if PIA determines a product or service to be ineligible:

- USAC can remove the ineligible product or service from the original Funding Request Number (FRN).
- USAC can create a new FRN and move the ineligible product or service to that FRN.
- In certain cases, USAC can move the product or service (or the entire funding request) to another service type. For example, if [on-premise Priority 1 equipment](#) fails to meet the appropriate eligibility conditions as Telecommunications Services or Internet Access, it may still be eligible as Internal Connections.

In the above situations, you can still appeal USAC's decision after you receive your FCDL. In general, if the service type is changed, an FCC Form 470 must have been posted for those services in that service type for USAC to be able to approve your funding request. The service types on the FCC Form 470 are grouped as follows:

- Category One, which can include any or all of the following: Telecommunications Services, Voice Services, and Internet Access
- Internal Connections and Managed Internal Broadband Services
- Basic Maintenance of Internal Connections.

If you do not agree to move or remove ineligible products and services and they comprise 30% or more of the funding request, USAC will deny the funding request following the [30% Rule](#).

### **Cost of the eligible products and services**

The initial reviewer will also review both the total and the breakdown of the amounts in your funding request(s). If your reviewer cannot determine how the products and services requested relate to the dollars requested, you will be contacted and asked to provide or explain your calculations.

Here are some additional suggestions:

- **APPLICANTS:** Involve your service provider in the process. Your service provider may be able to answer review questions, supply network diagrams, prepare cost allocations, and provide other helpful information. Be sure that both you and your service provider share copies of any information provided to USAC.
- **SERVICE PROVIDERS:** If you know or suspect that a product or service you offer is conditionally or partially eligible, [contact USAC by email](#) to provide details for USAC's review. In this way PIA will have information on eligibility for that product or service available for all reviews.
- Submit only as much of a single telephone bill as the initial reviewer needs. For example, if the initial reviewer asks for details about "Miscellaneous" or "Other" charges, submit only that part of the bill that itemizes or explains those charges.
- If you need more time to complete a response, ask for it.
- If you feel you are not communicating successfully with your reviewer, ask to speak with a manager.

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# Exhibit 9 - On Premise Usage Confirmation

**Scott Harken**

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**From:** mharken@csmccentral.com  
**Sent:** Thursday, August 14, 2014 11:36 AM  
**To:** 'Scott Harken'  
**Subject:** FW: RIVER SPRINGS CHARTER SCHOOL - approved funding 2014/15

Looks like Leilani already answered. Please save this response onto the network as back up.

Thank you,

**Michelle Harken**  
CSM Consulting, Inc.  
209.834.0556  
[mharken@csmccentral.com](mailto:mharken@csmccentral.com)

---

**From:** Vagerova, Martina [SLS] [<mailto:Martina.Vagerova@sprint.com>]  
**Sent:** Wednesday, August 13, 2014 7:34 AM  
**To:** Leilani Weiss  
**Cc:** [leilani.weiss@riverspringscharter.org](mailto:leilani.weiss@riverspringscharter.org); [mharken@csmccentral.com](mailto:mharken@csmccentral.com)  
**Subject:** RE: RIVER SPRINGS CHARTER SCHOOL - approved funding 2014/15

Thank you Leilani

***Martina Vagerova***  
***USF Programs/ERate Management, Sprint***  
*12524 Sunrise Valley Drive, MS VARESF0209-2A114*  
*Reston, VA 20196-3438*  
*703.592-8876 - Direct*  
*866-414-3225 - Helpline*  
*866-497-8675 - Fax*  
[Martina.Vagerova@Sprint.com](mailto:Martina.Vagerova@Sprint.com)

**From:** Leilani Weiss [<mailto:leilani.weiss@springscs.org>]  
**Sent:** Wednesday, August 13, 2014 3:02 AM  
**To:** Vagerova, Martina [SLS]  
**Cc:** [leilani.weiss@riverspringscharter.org](mailto:leilani.weiss@riverspringscharter.org); [mharken@csmccentral.com](mailto:mharken@csmccentral.com)  
**Subject:** Re: RIVER SPRINGS CHARTER SCHOOL - approved funding 2014/15

All Sprint tablets are being used on the premises.

On Tue, Aug 12, 2014 at 3:00 PM, Vagerova, Martina [SLS] <[Martina.Vagerova@sprint.com](mailto:Martina.Vagerova@sprint.com)> wrote:

Hello!

We recently received your 486 acceptance notification for FY 2014/15 and your funding is available for disbursement.

Majority of services on account 863391210 are tablet connection plans and I'm required to reach out for this type of service to verify off-premise usage which is ineligible and requires a cost allocation according to FCC guidelines. Please confirm if the tablet plans/ devices are being utilized on-premise only or both on and off premise.

Thank you

***Martina Vagerova***

***USF Programs/ERate Management, Sprint***

*12524 Sunrise Valley Drive, MS VARESF0209-2A114*

*Reston, VA 20196-3438*

[703.592-8876](tel:7035928876) - Direct

[866-414-3225](tel:8664143225) - Helpline

[866-497-8675](tel:8664978675) - Fax

[Martina.Vagerova@Sprint.com](mailto:Martina.Vagerova@Sprint.com)

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