

E-mail Service	<p>Internet-based <u>e-mail</u> is eligible. Such a service is often included in the cost of basic conduit access to the Internet 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 e-mail portion. <u>E-mail archiving</u> is not eligible for discount. Any <u>cost allocation</u> must be based on tangible information that provides a reasonable and appropriate delineation between the eligible and ineligible components.</p>
Internet Access	<p>Basic conduit access to the Internet is eligible regardless of technology platform. Access technologies include but are not limited to:</p> <ul style="list-style-type: none"> • <u>Broadband over Power Lines (BPL)</u>-enabled Internet access service • <u>Cable Modem</u> • <u>Digital Subscriber Line (DSL)</u> • Fiber optics • Telephone dial-up • <u>T-1</u> lines • Wireless <p>Eligible Internet access may include features typically provided for adequate functionality and performance when provided as a standard component of a vendor's Internet access service. Such features may include <u>Domain Name</u>, <u>Dynamic Host Configuration</u>, and basic <u>firewall</u> protection against unauthorized access. Firewall protection may not be provided by a vendor other than the Internet access provider.</p> <p>A wireless Internet access service is eligible under the same provisions as wired access to the Internet.</p> <p>Wide Area Network facilities can be eligible for funding as a part of Internet access if the service is limited to basic conduit access to the Internet and the offering is the most cost-effective means of accessing the Internet.</p> <p>A wireless Internet access service designed for portable electronic devices is eligible if used for educational purposes and if off-campus use is cost-allocated. 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>
Other Eligible Internet Access Services	<ul style="list-style-type: none"> • Maintenance and technical support appropriate to maintain reliable operation is eligible for discount when provided as a component of an eligible Internet access service.

	<ul style="list-style-type: none"> • <u>Interconnected Voice over Internet Protocol</u> • A <u>web hosting</u> service that provides a means for a school or library to display content on the Internet is eligible. The following web hosting functions are eligible: 1) Provision of web site traffic (bandwidth); 2) Provision of disk space for storing applicant provided content; 3) Provision of File Transfer Protocol (FTP) transfer or a Web interface to upload files. 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. Web hosting does NOT include content created by third-party vendor and any features involving data input or retrieval – including searching of databases for grades, student attendance files, or other reports – and will not include support for the applicants necessary to run online classes or collaborative meetings. • <u>Domain name registration</u> necessary for the creation of a school or library website is eligible for discount. <p>Please see the <u>Miscellaneous</u> section of this document for additional entries applicable to Internet access, such as charges for installation and configuration.</p>
<p>Ineligible for E-rate Funding as Internet Access Services</p> <p><i>(Not Eligible)</i></p>	<p>The following services are NOT ELIGIBLE for discount:</p> <ul style="list-style-type: none"> • <u>Online Backup Solutions</u> • <u>Internet</u> content or charges for the creation or display of information. Internet access that provides features or content that go beyond basic conduit access to the Internet is not eligible for funding. (E-mail service and e-mail account fees, however, are not considered Internet content. 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 Ancillary Use.) • Costs attributable to the creation or modification of information, such as a <u>web site creation fee</u> or content maintenance fee • Web hosting features, including software applications, end-user file storage, and content editing features other than those specified in FCC 10-175. Web hosting does not include content created by third-party vendor and any features involving data input or retrieval – including searching of databases for grades, student attendance files, or other reports – and will not include support for the applicants necessary to run online

classes or collaborative meetings.

- 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 they are provided via the Internet
- Software, services, or systems used to create or edit Internet content
- Internet2 membership fees
- Training in the use of the Internet
- Costs for training provided via the Internet
- Services that go beyond basic conduit access to the Internet
- Point-to-point connectivity of data, video, or voice applications that are to be provided only by eligible telecommunications carriers, except if provided via fiber or dark fiber.
- Specialized services that go beyond basic conduit access to the Internet, such as Virtual Private Network services
- Web site creation fee
- Electronic library/on-line public access and associated software
- Applications (including GPS) for wireless devices are not eligible for discount. Charges for telecommunications service or Internet access service used solely for the provision of these applications are not eligible.

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

- Caching
- Content filtering
- Firewall service
- Web Casting

Please see the Miscellaneous section of this document for additional entries applicable to Internet access. For example, finance charges and termination charges are not eligible.

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 all the way to 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><u>Cabling, connectors</u>, 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"> • Cable (e.g., copper, fiber, coax, twisted pair) • Connectors and couplers • Jacks, panels, <u>faceplates</u> and <u>wire managers</u> • <u>Conduit and raceway</u> • Other cabling components necessary to transport information all the way to individual classrooms or public areas of a library. <p><u>Consumable</u> 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 <u>cost allocated</u>.</p>
Circuit Cards/ Components	<p><u>Circuit</u> and related components, such as <u>memory modules/Random Access Memory (RAM)</u> are eligible if they are necessary for adequate performance of an eligible component, such as an eligible PBX, router, or server.</p> <p><u>Network interface cards (NICs)</u> that are separately priced or used in eligible equipment are eligible.</p>

	<p>Processors and a <u>processor terminator card</u> are eligible if used in an eligible component.</p> <p><u>Phone modems</u> can 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>
<p>Data Distribution</p>	<p>Components used to distribute information from telecommunication or Internet access facilities all the way to individual classrooms or public areas of a library are eligible.</p> <p>Such components may include:</p> <ul style="list-style-type: none"> • <u>Access Point</u> used in a LAN environment • <u>Hub</u> • <u>Multiplexer</u> used as part of a LAN • Network Switches are eligible for discount when used for an eligible purpose • Routers are eligible for a discount when used for an eligible purpose • <u>Wireless LAN Controller</u> <p><u>Voice/Video over IP</u> are eligible as Internal Connections.</p> <p>Components such as those indicated above are typically configured into a <u>local area network</u> or <u>wireless</u> area network.</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>
<p>Data Protection</p>	<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"> • <u>Firewall</u>, if included in the standard configuration of an Internet access service • <u>Proxy Server</u> • <u>Tape Backup</u> when used as part of an eligible server • <u>Virtual Private Network</u> • Tape backup 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.

	<p>An <u>Uninterruptible Power Supply (UPS)/Battery Backup</u> 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"> • <u>UPS</u> • <u>Relay I/O Module</u>
<p>Interfaces, Gateways, Antennas</p>	<p>Interfaces, gateways, and antennas represent miscellaneous components that are eligible when used for an eligible purpose to transport telecommunications or Internet access information all the way to individual classrooms or public areas of a library.</p> <p>The following components are generally eligible:</p> <ul style="list-style-type: none"> • <u>Bridge</u> • <u>Cable Modem</u> (but not for receipt of cable TV service; may also be leased as part of Internet access service) • <u>Channel Service Unit/Data Service Unit (CSU)</u> (may also be leased as part of Priority One service) • <u>Copper-to-Fiber (TX-to-FX)</u> • <u>FRAD</u> • <u>Gateway</u> • <u>Interface/Edge Device</u> • <u>Network Interface Device</u> • <u>Media Converter</u> • <u>Terminal Adapter</u> • <u>Transceiver</u> • <u>Voice/Fax network module</u> <p><u>Eligibility limitations for antennas</u></p> <p><u>Antennas</u> and related components, such as <u>satellite</u> 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>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 are not eligible.</p> <p>While an antenna <u>mast</u> that supports eligible Internal Connections is eligible, large antenna towers are not eligible as Internal Connections.</p>

Servers	<p>Computers used as <u>servers</u> or similar centralized functions are eligible if the use is necessary to transport information all the way to individual classrooms or public areas of a library.</p> <p>A server can be eligible or not eligible, depending on how it is used. An 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 <u>cost allocated</u>. The following uses are eligible:</p> <ul style="list-style-type: none"> • <u>Dynamic Host Configuration</u> • <u>Domain Name</u> • <u>E-mail</u> • <u>Firewall</u>, if included in the standard configuration of an Internet access service, or <u>Proxy Server</u> <p>The following servers are eligible only in certain cases:</p> <p><u>Remote Access Components</u>— 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.</p> <p><u>Terminal Server</u>— 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><u>Web Server</u>— Eligible if used to provide 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 <u>monitor</u> 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 <u>KVM switch</u> ("keyboard-video-mouse" switch) is eligible if cost-effective in comparison to the individual components that would otherwise be necessary.</p>
Software	<p>Some types of computer <u>software</u> are eligible for discount.</p> <p><u>Operating system software</u>, 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><u>E-mail</u> 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 archiving, database, workflow, or groupware features, only the e-mail</p>

	<p>portion of the product is eligible and the cost of the ineligible portion must be <u>cost allocated</u>.</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 <u>voice mail</u> system is eligible.</p> <p>Software for server based, VoIP user licenses are eligible.</p> <p><u>Client Access Licenses</u> for eligible software products are eligible, but Client Access Licenses for ineligible software products are not eligible.</p> <p><u>Virtualization software</u> 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 ineligibles is required.</p>
Storage Devices	<p>Storage devices provide electronic data storage on magnetic or other media. Devices include <u>hard disk drives</u>, 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 <u>Servers</u> for further information.) In addition, storage products may be used for eligible e-mail files but not for e-mail archiving.</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"> • <u>Private Branch Exchange (PBX)</u> • <u>Key System (KSU)</u> • <u>Voice Mail</u> • <u>Wireless</u> • <u>VoIP Telephony Equipment</u> <p>In addition, the following features are eligible:</p> <ul style="list-style-type: none"> • <u>Automatic Route Selection (ARS)</u> • <u>E911</u> • <u>Voice Compression Module</u> • <u>Voice Interface Card</u>

	<p>One <u>switchboard/attendant console</u> necessary for operation of each eligible PBX or eligible Centrex telephone service is eligible.</p> <p>An intercom system that is an integral component of a PBX or other eligible product can be included in the cost of the eligible component.</p>
<p>Video Components</p>	<p>Centralized <u>video</u> necessary to transport information all the way to individual classrooms or public areas of a library are eligible. This includes:</p> <ul style="list-style-type: none"> • <u>CODEC</u> • <u>Master Control Unit</u> • <u>Multipoint Control Unit</u> • <u>PVBX</u> • <u>Video Amplifier</u> • <u>Video Channel Modulator</u> • <u>Enhanced Multimedia Interface</u> <p>Equipment that is used to control the programming, distribution, and selection of video content can 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>
<p>Other Eligible Internal Connections Components</p>	<p><u>Documentation</u> 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><u>Racks and cabinets</u> 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 separately identifiable cost can be included in the cost of the rack or cabinet, but a separately-priced surge protector is not eligible.</p> <p><u>System improvements and upgrades</u> 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 <u>Miscellaneous</u> section of this document for additional entries applicable to Internal Connections, such as charges for installation and configuration.</p>

<p>Ineligible for E-rate Funding as Internal Connections Components</p> <p><i>(Not Eligible)</i></p>	<p>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.</p> <p>The following components are NOT ELIGIBLE:</p> <ul style="list-style-type: none"> • <u>Asbestos removal</u> • <u>Broadcast</u> • <u>Electrical system upgrades</u> • Multimedia content, such as encyclopedias on CD ROM, video information, etc., also including <u>multimedia kits</u> • <u>Intercom and public address (PA) system</u> • <u>Spare parts</u> • <u>External speakers</u> (except when provided at no cost as an integral part of an eligible component) • <u>Test Equipment</u> • <u>Consumable Kits</u> which contain installation tools • Wiring and components providing electrical service or for radio or television broadcast or cable services • <u>Network interface cards</u> that are embedded in ineligible equipment (such as end-user equipment) or included in the pricing for ineligible equipment • <u>Phone modems</u> 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 • <u>Lightning Arrestor</u> • <u>Surge Protector</u> • <u>Power Distribution Units (PDU)</u> • <u>Power Strips</u> • <u>Disaster Recovery</u> • <u>Environmental Monitoring</u> • 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 <p><u>Ineligible Servers:</u></p> <ul style="list-style-type: none"> • Storage of application software, databases accessed by end users, or end-user files other than e-mail files • End-user <u>personal computers/workstations</u>, even if the device also provides server functionality • <u>Caching</u> 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). • <u>Laptop</u> (presumed to not be eligible because a laptop is typically used as an end user workstation).
--	--

Ineligible Software:

- All end-user software such as reading programs or softphones
- Application Software other than server-based, shared e-mail
- Developmental software
- Network management software
- Operating system software for end-user computers
- Security software
- Utility software, such as anti-virus and anti-spam software

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 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
- End-user telephone sets
- Fax machine

- Cameras
- Microphones
- Videotape recorders
- Personal digital assistant (PDA)
- CD/
- Pager
- Printer
- Two-way radio
- End-user telephones and end-user voice mail 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.

Basic Maintenance of Internal Connections

Basic Maintenance ensures the necessary and continued operation of eligible internal connection components at eligible locations.

No funding for a technical support contract will be provided if it includes services that exceed basic maintenance as defined in this section.

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.

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." The following 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.

Ineligible 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.
- Services such as network management and 24-hour network monitoring.
- Help desks that provide a comprehensive level of support beyond basic maintenance of only eligible components.
- Technical support contracts that are more than basic maintenance.

In addition, software Client Access Licenses are not eligible as Basic Maintenance. However, Client Access Licenses for eligible software products may be eligible in the Internal

Connections funding category.

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.

Miscellaneous

The service category for entries in this section should reflect the same category as the product or service being installed or obtained—Telecommunications Services, Internet Access, or Internal Connections.

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 part coincident with installation.</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"> • <u>Change fees</u> • <u>Freight assurance fees</u> • <u>Shipping charges</u> <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"> • <u>Per diem</u> • <u>Travel time</u> <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 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 <u>contingency fee</u> is eligible only if it is a regular business practice of the service provider.</p>
<p>Voice Mail Service</p>	<p>A <u>voice mail service</u> is eligible.</p> <p>Funding requests for a voice mail service may be submitted in the Telecommunications Services category of service if provided by an eligible telecommunications carrier or may be submitted in the Internet Access category of service if provided by any service provider.</p> <p>In addition, voice mail equipment may be requested in the Internal Connections category of service, but funding is not available for end-user products such as answering machines.</p>
<p>Other Miscellaneous Ineligible Components</p> <p><i>(Not Eligible)</i></p>	<p>In addition to components indicated in other sections of this Eligible Services List, the following components are NOT ELIGIBLE for discount:</p> <ul style="list-style-type: none"> • Interest or finance charges • Late payment fees • Performance bond • Termination charges <p>Any product or service that is duplicative of a service for which funding has already been requested. Services that provide necessary bandwidth requirements consistent with an applicant's Technology Plan, such as multiple T-1 lines when appropriate for the population served and the services to be received, are not duplicative.</p> <p>Failover 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></p> <p>Consulting services not directly tied to and coincident with basic installation and configuration of eligible services are not eligible. Services that are NOT ELIGIBLE include but are not limited to the following:</p> <ul style="list-style-type: none"> • Initial planning to determine the technology and/or components to be deployed. • Network architecture design.

- Development of technology plans.
- Application assistance, program advice, and other activities not tied directly to actual installation and initial configuration of components.

In addition, the following Installation and Configuration components are **NOT ELIGIBLE**:

- Labor costs for school and library personnel.
- Costs for contractor personnel to operate components.
- Costs for network management software, services, and equipment.
- Test equipment and tools.
- 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.
- Construction costs, other than incidental charges to restore a facility to pre-installation conditions.

Special Eligibility Conditions

The Universal Service Administrative Company maintains additional documentation regarding the administration of the Schools and Libraries Support Mechanism at 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.

<p>Ancillary Use</p>	<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 <u>Cost Allocation Guidelines for Products and Services</u>.</p>
<p>Cost Allocation</p>	<p>If a product or service contains both eligible and ineligible features, an applicant may use cost allocation to provide a fair delineation of the eligible and ineligible components so that partial funding can be provided. 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 web document "<u>Cost Allocation</u>" for additional information.</p>
<p>Cost Allocation for File Servers</p>	<p>File servers and other components can be used simultaneously for multiple purposes, some of which are eligible and some not eligible. Cost allocation is required to remove any ineligible functionality from funding requests. However, the exact usage of a file server or</p>

	<p>other product with multiple uses may be difficult to determine before the product is installed and utilized. A simplified method of cost allocation is available to accommodate this situation. It is based on a simple averaging process of the different functions of the product that is described more fully in the web document "Cost Allocation."</p>
<p>Eligible Users and Locations</p>	<p>Activities that are integral, immediate, and proximate to the education of students or the provision of library services to patrons, qualify as "educational purposes." The presumption is that activities on school or library property meet this standard.</p> <p>Some services outside of a school or library location can 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>
<p>Internet Access with Ineligible Features</p>	<p>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 separated pricing for the eligible and ineligible components.</p> <p>In addition, in certain limited cases, an eligible product or service can include ineligible components on an ancillary basis. See the Special Eligibility Condition for Ancillary Use for additional information about the conditions and limitations of the Ancillary Use approach.</p>
<p>Lease of Wide Area Network Infrastructure</p>	<p>Facilities that provide a Wide Area Network may only be leased by applicants—not purchased. Limitations apply to the reimbursements that are available for initial</p>

	<p>implementation costs (leased equipment and its installation) of service provider infrastructure. The <u>Wide Area Network Fact Sheet</u> has full details about exclusive access limitations, amortization requirements, and other eligibility conditions for lease of Wide Area Network functionality.</p>
Two-in-Five Rule	<p>"Two-in-Five Rule" indicates that each eligible entity may 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	<p>The Wide Area Network Fact Sheet contains additional information about eligibility requirements for Wide Area Network services. For example, reimbursement for up-front infrastructure costs of service providers installing a telecommunications or Internet access service is limited.</p>
WAN Versus LAN Components (On-Premise Priority One Equipment)	<p>For data and other networks, the distinction between Wide Area Network (WAN) functionality and Local Area Network (LAN) functionality can be essential for selecting the proper Category of Service for funding requests— Telecommunications Services, Telecommunications, Internet Access, or Internal Connections. FCC rules establish a rebuttable presumption that a connection does not constitute an Internal Connection if it crosses a public right of way.</p> <p>In order to determine what may be properly funded as Internal 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 <u>On-premise Priority 1 Equipment</u> located in the SLD Reference Area of the USAC web site.</p>

800 Service (Telephone)	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 (Telephone Service)	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 (Ineligible Telecommunications Services)	"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 (Telephone)	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 (Data Distribution)	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 (Telephone)	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 (Interfaces)	An antenna is a device for transmitting and/or receiving radio frequency signals.
Application Software (Software—Ineligible)	Application software applies to software accessed directly by end users, such as word processors, spreadsheets, utility, anti-virus, and graphics programs.
Asbestos Removal (Ineligible Internal Connections Components)	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) (<u>Digital Transmission Services</u>)	ATM is a high-speed Digital Transmission Service that can provide bandwidth of 622 Megabits per second or higher.
Automatic Call Distribution System (ACD) (<u>Telephone—Ineligible</u>)	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 enable better utilization of resources in the handling of incoming calls.
Automatic Route Selection (ARS) (<u>Telephone</u>)	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 (<u>Interfaces</u>)	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) (<u>Digital Transmission Services</u>) (<u>Internet</u>)	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 and is located on the supply side of the utility service's points of interconnection with customer premises.
Broadcast and Cable Television Equipment (<u>Video Components—Ineligible</u>)	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 (<u>Ineligible Telecommunications Services</u>)	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 (<u>Internet</u>) (<u>Interfaces</u>)	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 (<u>Cabling</u>)	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 (Servers —Ineligible) (Storage Devices —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 (Ineligible Internet Access Services)	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 (Telephone —Ineligible)	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. Such systems may include <u>Station Message Detail Recording</u> (SMDR) or <u>Call Detail Recording</u> (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.
Call Sequencer (Telephone —Ineligible)	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 (Storage Devices —Ineligible)	Cartridge magnetic tape is used in tape backup devices, and provides replaceable and archivable storage capacity.
CD/ DVD Player (Ineligible Internal Connections Components)	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 (Telephone)	Cellular Service uses radio transmissions to provide a wireless telephone service.
Centrex (Telephone)	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 (Miscellaneous Fees and Charges)	Change fees are charges imposed for the modification of an existing service.

Channel Service Unit /Data Service Unit (CSU/DSU) (Interfaces)	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 (Circuit)	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 (Software)	A Client Access License is a software licensing approach used by some vendors that provides authorization to access a software product.
CODEC / Video Encoder (Video Components)	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 (Cabling)	Conduit and raceway are metal or plastic pipe or channels used to protect cable.
Conferencing Services (Other Eligible Telecommunications Services)	Conferencing Services provide a means for multiple users to participate in group discussions via telephone circuits or video facilities.
Connectors (Cabling)	Connectors are devices that connect wires or fibers.
Consumable Components (Cabling)	Consumables consist of miscellaneous components that are depleted with use, such as tape, splicing materials, labels, and wire wrap.
Contingency Fee (Miscellaneous Fees and Charges)	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 (Interfaces)	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 (Cabling)	Couplers are passive devices that accepts one input broadband signal and replicate it onto another or multiple outputs.
Custom Calling Services (Telephone Service)	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 (Dark Fiber)	Dark fiber refers to fiber optic cable for which the service provider has not provided modulating

	electronics.
Digital Subscriber Line (DSL) (<u>Telecommunications Service/Internet</u>)	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) (<u>Ineligible Telecommunications Services</u>)	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) (<u>Telephone</u>)	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 (<u>Ineligible Telecommunications Services</u>)	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 (<u>Telephone Service</u>)	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 (<u>Ineligible Telecommunications Services</u>)	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 (<u>Data Protection—Ineligible</u>)	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 (<u>Digital Transmission Services</u>)	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 (<u>Other Eligible Internal Connections Components</u>)	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 (Web Hosting)	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) (Internet) (Servers)	Domain names, such as www.fcc.gov , are alphabetic, so they are easier to remember than the IP addresses on which the Internet is based. A Domain Name Service translate the alphabetical names input by users into the IP addresses used by Internet devices.
DS-1 (Digital Transmission Services)	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	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) (Internet) (Servers)	Standard networks need each computer to have a unique address for communication to take place. 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 (Telephone)	The E911 Reader Board is adjunct hardware for a PBX and is used to access E911 Emergency service.
Electrical System Upgrades (Ineligible Internal Connections Components)	Electrical system upgrades refer to products and services that provide, upgrade, or enhance the provision of electrical power.
E-mail (Software) (Servers)	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 (E-mail) (Servers) (Storage Devices)	E-mail archiving is a form of electronic recordkeeping, often compressing e-mail files to make available greater inbox space.
E-mail Service (E-mail)	An e-mail service provides for the transmission of text messages and other embedded data such as file attachments. It enables the transmission of messages over a local or world-wide computer network.
Environmental Monitoring Components (Data Protection—	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