



PUBLIC NOTICE

Federal Communications Commission
45 L Street NE
Washington, DC 20554

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WIRELINE COMPETITION BUREAU SEEKS COMMENT ON PROPOSED ELIGIBLE SERVICES LIST FOR THE E-RATE PROGRAM

WC Docket No. 13-184

Comment Date: August 30, 2024

Reply Comment Date: September 16, 2024

The Wireline Competition Bureau (Bureau) pursuant to section 54.502(e) of the Federal Communications Commission's (Commission) rules seeks comment on the proposed eligible services list (ESL) for the schools and libraries universal service support mechanism (more commonly known as the E-Rate program) for funding year (FY) 2025.¹

This year, the Bureau proposes revisions to the draft FY 2025 eligible services list to implement the changes adopted by the Commission in the *Wi-Fi Hotspot Report and Order*.² We have included the proposed FY 2025 eligible services list as an Attachment to this Public Notice with the proposed revisions. Below, we identify changes between the funding year 2024 and the proposed funding year 2025 ESL, and we seek comment on whether we should adopt or modify these changes:

- The proposed ESL revises the description of “wireless” service under Category One to read “Wireless (e.g., fixed wireless; microwave; mobile service for use on school buses; or mobile service for use with Wi-Fi hotspots).” This revision reflects the Commission’s adoption of a Report and Order making eligible the off-premises use of Wi-Fi hotspots and mobile wireless Internet access services.³
- The proposed ESL amends the explanation of “Wireless services and wireless Internet access” in the “Eligibility Explanations for Certain Category One and Category Two Services” to clarify a number of issues from the *Wi-Fi Hotspot Report and Order*.
 - First, the proposed explanation includes language noting the eligibility of off-premises use of Wi-Fi hotspots and mobile wireless Internet services. It also includes an explanation of Wi-Fi hotspot eligibility, consistent with the *Wi-Fi Hotspot Report and Order*.⁴

¹ See 47 CFR § 54.502(e) (detailing the procedures for seeking comment on a draft E-Rate program eligible services list); Attachment, Draft Schools and Libraries Eligible Services List for Funding Year 2025.

² *Addressing the Homework Gap through the E-Rate Program*, WC Docket No. 21-31, Report and Order and Further Notice of Proposed Rulemaking, FCC 24-76 (2024) (*Wi-Fi Hotspots Report and Order*).

³ See *Wi-Fi Hotspots Report and Order*, at para. 22 (making Wi-Fi hotspots and mobile wireless Internet services eligible for E-Rate).

⁴ See *Wi-Fi Hotspots Report and Order*, at para. 23 (explaining Wi-Fi hotspot eligibility); para. 44 (noting that the Wi-Fi hotspot qualifies as the purchase of network equipment for the mobile wireless Internet services).

- Second, the proposed explanation modifies and moves the sentence clarifying eligibility of off-campus wireless service on a school bus to the second paragraph.
- Third, the proposed explanation modifies the sentence to make clear that cost-allocation of off-campus use of E-Rate-funded services is required.
- Finally, the proposed ESL clarifies the cost-effectiveness test required for data plans and air cards. In 2014, the Commission recognized that there are a few locales where a wired local area network is impracticable, such as a library bookmobile and set out a cost-effectiveness requirement for on-premises use of Wi-Fi hotspots. Since then, the ESL has explained that “[s]eeking support for data plans or air cards for mobile devices for use in a school or library with an existing broadband connection and WLAN implicates the E-Rate program’s prohibition on requests for duplicative services,” but explains that if, however, a bookmobile, which is eligible as a library in its state, requires mobile connectivity, it may demonstrate that it is the most cost-effective option for delivering service to the bookmobile.⁵ The proposed language change to this explanation clarifies that this requirement applies only to on-campus use.⁶

We invite stakeholders to comment on these proposed revisions, as well as on the proposed eligible services list for funding year 2025.⁷ Pursuant to section 1.419 of the Commission’s rules,⁸ interested parties may file comments on or before August 30, 2024 and reply comments on or before September 16, 2024. All comments are to reference WC Docket No. 13-184 and may be filed by paper or by using the Commission’s Electronic Comment Filing System (ECFS).

- Electronic Filers: Comments may be filed electronically using the Internet by accessing ECFS: <https://www.fcc.gov/ecfs/>.
- Paper Filers: Parties who choose to file by paper must file an original and one copy of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.
 - Filings can be sent by hand or messenger delivery, by commercial courier, or by the U.S. Postal Service. **All filings must be addressed to the Secretary, Federal Communications Commission.**
 - Hand-delivered or messenger-delivered paper filings for the Commission’s Secretary are accepted between 8:00 a.m. and 4:00 p.m. by the FCC’s mailing contractor at 9050 Junction Drive, Annapolis Junction, MD 20701. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes must be disposed of before entering the building.

⁵ See *Modernizing the E-Rate Program for Schools and Libraries*, WC Docket No. 13-184, Report and Order and Further Notice of Proposed Rulemaking, 29 FCC Rcd 8870, 8933, para. 153 (2014) (*First 2014 E-Rate Order*).

⁶ See *Wi-Fi Hotspots Report and Order*, at para. 45 & n.176.

⁷ In 2023, the Commission proposed several changes to the E-Rate program that could affect the services and equipment that are eligible for E-Rate support. See generally *Schools and Libraries Universal Service Support Mechanism*, CC Docket Nos. 02-6, 96-45, 97-21, Report and Order and Further Notice of Proposed Rulemaking, FCC 23-56, 2023 WL 4730084 (July 21, 2023). If those changes are adopted, the Bureau may solicit feedback and make additional corresponding modifications to the FY 2025 ESL as appropriate.

⁸ 47 CFR § 1.419.

- Commercial courier deliveries (any deliveries not by the U.S. Postal Service) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701.
- Filings sent by U.S. Postal Service First-Class Mail, Priority Mail, and Priority Mail Express must be sent to 45 L Street NE, Washington, DC 20554.

People with Disabilities. To request materials in accessible formats (braille, large print, electronic files, or audio format), send an e-mail to fcc504@fcc.gov or call the Consumer and Governmental Affairs Bureau at 202-418-0530.

Availability of Documents. Comments, reply comments, and *ex parte* submissions will be publicly available online via ECFS.⁹

Ex Parte Rules. The proceeding this Public Notice initiates shall be treated as a “permit-but-disclose” proceeding in accordance with the Commission’s *ex parte* rules.¹⁰ Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter’s written comments, memoranda, or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the *ex parte* memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with section 1.1206(b) of the Commission’s rules.¹¹ In proceedings governed by section 1.49(f) of the Commission’s rules,¹² or for which the Commission has made available a method of electronic filing, written *ex parte* presentations and memoranda summarizing oral *ex parte* presentations, and all attachments thereto, must be filed through ECFS in the docket available for that proceeding, and must be filed in their native format (e.g., .doc, .xml, .ppt, searchable .pdf). Participants in this proceeding should familiarize themselves with the Commission’s *ex parte* rules.

For further information, please contact Saswat Misra, Telecommunications Access Policy Division, Wireline Competition Bureau, by email at Saswat.Misra@fcc.gov or by phone at (202) 418-0944.

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⁹ Documents will generally be available electronically in ASCII, Microsoft Word, and/or Adobe Acrobat.

¹⁰ 47 CFR §§ 1.1200 *et seq.*

¹¹ 47 CFR § 1.1206(b).

¹² 47 CFR § 1.49(f).

ATTACHMENT**Eligible Services List for Funding Year 2025
Schools and Libraries Universal Service Support Mechanism****WC Docket No. 13-184**

The Federal Communications Commission's (FCC) rules provide that all services that are eligible 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). 47 CFR § 54.502(a). The E-Rate program is administered by the Universal Service Administrative Company (USAC). 47 CFR § 54.5. Eligible schools and libraries may seek E-Rate support for eligible Category One telecommunications services, telecommunications, and Internet access, and Category Two internal connections, basic maintenance, and managed internal broadband services as identified herein. 47 CFR §§ 54.500 *et seq.*

Additional guidance from USAC about the E-Rate application process and about eligible services, including a glossary of terms, is available at USAC's website at <https://www.usac.org/erate/applicantprocess/before-you-begin/eligible-services-list/>. The documents on USAC's website are not incorporated by reference into the ESL and do not bind the Commission. Thus, they will not be used to determine whether a service or product is eligible. Applicants and service providers may refer to those documents, but they should do so only for informal guidance. This ESL applies to funding requests for Funding Year (FY) 2025.

Category One

The first category of supported services, Category One, includes the services needed to support broadband connectivity to schools and libraries. Eligible Category One services are listed in the entries for data transmission and/or Internet access. This category consists of the services that provide broadband to eligible locations including data links that connect multiple points, services used to connect eligible locations to the Internet, and services that provide basic conduit access to the Internet. With the exception of leased dark fiber and self-provisioned broadband networks, maintenance and technical support appropriate to maintain reliable operation are only eligible for support when provided as a component of these services.

Data Transmission and/or Internet Access

Data transmission and/or Internet access services are eligible in Category One. These services include:

- Asynchronous Transfer Mode (ATM)
- Broadband over Power Lines
- Cable Modem
- Digital Subscriber Line (DSL)
- DS-1 (T-1), DS-3 (T-3), and Fractional T-1 or T-3
- Ethernet
- Integrated Services Digital Network (ISDN)

Note: Dedicated voice channels on an ISDN circuit are no longer eligible.

- Leased Lit Fiber
- Leased Dark Fiber (including dark fiber indefeasible rights of use (IRUs) for a set term)
- Self-Provisioned Broadband Networks (applicant owned and operated networks)
- Frame Relay
- Multi-Protocol Label Switching (MPLS)
- OC-1, OC-3, OC-12, OC-n
- Satellite
- Switched Multimegabit Data Service
- Telephone dial-up
- Wireless (e.g., fixed wireless; microwave; mobile service for use on school buses; or mobile service for use with Wi-Fi hotspots)

Notes:

- (1) Eligible costs include monthly charges, special construction, installation and activation charges, software, modulating electronics and other equipment necessary to make a Category One wired or wireless broadband service functional (“Network Equipment”), and maintenance and operation charges, including costs for software needed for the operation of or maintenance of Network Equipment. Network Equipment and maintenance and operation costs for existing networks are eligible. All equipment and services, including maintenance and operation, must be competitively bid.
- (2) Applicants that seek bids for leased dark fiber must also seek bids for leased lit fiber service and fully consider all responsive bids. Similarly, applicants that seek bids for self-provisioned broadband networks must also seek bids for the needed connectivity via services provided over third-party networks, and fully consider all responsive bids.
- (3) Applicants may seek special construction funding for the upfront, non-recurring costs for the deployment of new or upgraded facilities. The eligible components of special construction are construction of network facilities, design and engineering, and project management.
- (4) Staff salaries and labor costs for personnel of the applicant or underlying beneficiary are not E-Rate eligible.
- (5) Consulting services that are not related to the installation and configuration of the eligible components are not eligible. These include services related to application assistance, program advice, and other activities not tied directly to actual installation and initial configuration of components.

Category Two

The second category of equipment and services eligible for E-Rate support, Category Two, includes the internal connections needed for broadband connectivity within schools and libraries. Support is limited to the internal connections necessary to bring broadband into, and provide it throughout, schools and libraries. These are broadband connections used for educational purposes within, between, or among instructional buildings that comprise a school campus (as defined below in the section titled “Eligibility Explanations for Certain Category One and Category Two Services”) or library branch, and basic maintenance of these connections, as well as services that manage and operate owned or leased broadband internal connections (e.g., managed internal broadband services or managed Wi-Fi). Category Two support is subject to district- or library system-wide budgets as set forth in 47 CFR § 54.502. The eligible components and services in Category Two are:

Eligible Broadband Internal Connections

- Antennas, connectors, and related components used for internal broadband connections
- Cabling
- Caching
- Firewall services and firewall components separate from basic firewall protection provided as a standard component of a vendor’s Internet access service
- Racks
- Routers
- Switches
- Uninterruptible power supply (UPS)/battery backup
- Access points used in a local area network (LAN) or wireless local area network (WLAN) environment (such as wireless access points)
- Wireless controller systems
- Software supporting the components on this list used to distribute high-speed broadband throughout school buildings and libraries (applicants should request software in the same category as the associated service being obtained or installed)

Notes:

- (1) Functionalities listed above that can be virtualized in the cloud, and equipment that combines eligible functionalities, like routing and switching, are also eligible.
- (2) A manufacturer’s multi-year warranty for a period up to three years that is provided as an integral part of an eligible component, without a separately identifiable cost, may be included in the cost of the component.
- (3) Caching is defined as a method that stores recently accessed information. Caching stores information locally so that the information is accessible more quickly than if transmitted across a network from a distance. A caching service or equipment that provides caching, including servers necessary for the provision of caching, is eligible for funding.
- (4) Applicants may request both equipment and the software necessary to use the equipment on the FCC Form 470, or request just the equipment on the FCC Form 470, and still receive support for both the equipment and the software necessary to use the equipment (e.g., right-to-use software or client access licenses) by requesting the equipment and software either together or separately on the FCC Form 471. However, software upgrades and patches, including bug fixes and security patches, are considered basic maintenance of internal connections, and as such, applicants should seek bids for basic maintenance of internal connections if they intend to request funding for these services.

Eligible Managed Internal Broadband Services

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

Basic Maintenance of Eligible Broadband Internal Connections

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

The following basic maintenance services are eligible:

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

Eligibility Limitations for Category Two Services

Eligibility limitations for managed internal broadband services – The equipment eligible for support as part of a managed internal broadband service may include only equipment listed above as broadband internal connections. Upfront charges that are part of a managed service contract are eligible for E-Rate support except to the extent that the upfront charges are for any ineligible internal connections (e.g., servers other than those that are necessary to provide caching), which, if included in the contract, must be cost allocated out of any funding request.

Eligibility limitations for basic maintenance – Basic maintenance is eligible for support only if it is a component of a maintenance agreement or contract for eligible broadband internal connections. The agreement or contract must specifically identify the eligible internal connections covered, including product name, model number, and location. Support for basic maintenance will be paid for the actual work performed under the agreement or contract. Support for bug fixes, security patches, and technical support is not subject to this limitation.

Basic maintenance does not include:

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

Eligibility Explanations for Certain Category One and Category Two Services

National Security Supply Chain Restrictions – Equipment or services produced or provided by a company that the FCC has designated as a national security threat to the integrity of communications networks or the communications supply chain are not eligible for E-Rate support. 47 CFR § 54.9(a). In addition, participants are prohibited from using E-Rate support to purchase, rent, lease, or otherwise obtain any covered communications equipment or service, or maintain any covered communications equipment or service previously purchased, rented, leased, or otherwise obtained. 47 CFR § 54.10. A list of covered communications equipment and services can be found on the FCC’s website at <https://www.fcc.gov/supplychain/coveredlist> and will be updated to reflect any future determinations.

Internet access/ISP service – Eligible Internet access services may include features such as basic firewall protection, domain name service, and dynamic host configuration when these features are provided as a standard component of a vendor’s Internet access service. Firewall protection that is provided by a vendor other than the Internet access service provider or priced out separately will be considered a Category Two internal connections component. Examples of items that are ineligible components of Internet access services include applications, content, e-mail, and end-user devices and equipment such as computers, laptops, and tablets.

Wireless services and wireless Internet access – In accordance with the *Wi-Fi Hotspot Report and Order* (FCC 24-76), the off-campus use of Wi-Fi hotspots and mobile wireless Internet services is eligible for E-Rate support. Wi-Fi hotspots that are portable and a single device (i.e., not a set of linked devices) are eligible as Network Equipment as indicated in Note (1) under Category One.

As clarified in the *Wi-Fi on School Buses Declaratory Ruling* (FCC 23-84), the off-campus use of wireless service and the equipment needed to make this wireless service for school buses functional (e.g., antennas, routers, modems) is eligible for E-Rate support.

Outside of these delineated exceptions, in general, off-campus use of E-Rate-funded services even if used for an educational purpose, is ineligible for support, and must be cost-allocated out of any funding request.

In order for data plans and air cards for mobile devices for use on-campus (e.g., a bookmobile in a state where it is eligible for support as a library) to be eligible, the school or library seeking support must demonstrate that the individual data plans are the most cost-effective option for providing internal broadband access for mobile devices at schools and libraries. Applicants should compare the cost of data plans or air cards for mobile devices to the total cost of all components necessary to deliver connectivity to the end user device, including the cost of data transmission and/or Internet access to the school or library. Seeking support for data plans or air cards for mobile devices for use in a school or library with an existing broadband connection and WLAN implicates the E-Rate program’s prohibition on requests for duplicative services.

Managed internal broadband services, such as managed Wi-Fi, are eligible only for Category Two support.

Connections between buildings of a single school – The classification of connections between multiple buildings of a single school is determined by whether the buildings are located on the same campus. A “campus” is defined as the geographically contiguous grounds where the instructional buildings of a single eligible school are located. A single school may have multiple campuses if it has instructional buildings located on grounds that are not geographically contiguous. Different schools located on the same grounds do not comprise a single campus. The portion of the grounds occupied by the instructional buildings for each school is a campus for that school.

- Connections between buildings on different campuses of a single school are considered to be Category One data transmission services.
- Connections between different schools with campuses located on the same property (e.g., an elementary school and middle school located on the same property) are considered to be Category One data transmission services, unless they share the same building.
- Connections between buildings of a single school on the same campus are considered to be Category Two internal connections.

Network equipment with mixed eligibility – On-premises equipment that connects to a Category Two eligible LAN is eligible for Category One support if it is necessary to make a Category One broadband service functional. If the price for components that enable the LAN can be isolated from the price of the components that enable the Category One service, those costs should be cost-allocated out of the Category One funding request.

Miscellaneous

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

Fees

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

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

Installation, Activation, and Initial Configuration

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

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