

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of )
)
Modernizing the E-Rate Program for Schools and ) WC Docket No. 13-184
Libraries )

ORDER

Adopted: November 30, 2020

Released: November 30, 2020

By the Chief, Wireline Competition Bureau:

I. INTRODUCTION

1. In this Order, the Wireline Competition Bureau (Bureau) adopts the final eligible services list for funding year 2021 for the schools and libraries universal service support program (more commonly referred to as the E-Rate program).1 Specifically, based on the record before us, we adopt the proposals set forth in the Bureau’s Public Notice seeking comment on the proposed eligible services list for funding year 2021.2 In addition, we release the eligible services list for funding year 2021 and authorize the Universal Service Administrative Company (USAC) to open the annual application filing window within 60 days after release of this Order.3 In doing so, we find good cause to waive the requirement in section 54.502(d) of the Commission’s rules that the final eligible services list be released at least 60 days prior to the opening of the application filing window to ensure that the funding year 2021 filing window is opened with enough time for USAC to process and applicants to submit applications.4

II. FUNDING YEAR 2021 ELIGIBLE SERVICES LIST

A. Background

2. Sections 254(c)(1), (c)(3), (h)(1)(B), and (h)(2) of the Communications Act collectively grant the Commission authority to specify the services that will be supported for eligible schools and libraries and to design the specific mechanisms for support.5 Pursuant to this authority, the Commission delegated responsibility to the Bureau to annually seek public comment on the proposed eligible services list.6

1 The Bureau annually updates the eligible services list, which specifies the services and products that are eligible for E-Rate funding each funding year. See 47 CFR § 54.502(a) (“All supported services are listed in the Eligible Services List as updated annually in accordance with paragraph (d) of this section.”); see also 47 CFR § 54.502(d) (detailing the procedures for seeking comment on the draft eligible services list).

2 Wireline Competition Bureau Seeks Comment on Proposed Eligible Services List for the E-Rate Program, WC Docket No. 13-184, Public Notice, DA 20-767, 1 (WCB 2020) (Funding Year 2021 Eligible Services List Public Notice).

3 See Schools and Libraries Universal Service Support Mechanism, Eligible Services List for Funding Year 2021 (FY2021 Eligible Services List), Appendix B, below. 47 CFR § 54.502(d) (requiring the final eligible services list to be released at least 60 days prior to the opening of the application filing window).

4 47 CFR § 54.502(d).

5 47 U.S.C. §§ 254(c)(1), (c)(3), (h)(1)(B), (h)(2).

6 See 47 CFR § 54.502(d).

3. In the *Funding Year 2021 Eligible Services List Public Notice*, we sought comment on the proposed eligible services list for funding year 2021.<sup>7</sup> In this regard, we identified two changes made between the funding year 2020 eligible services list and the proposed funding year 2021 eligible services list. First, under the “Eligibility Explanations for Certain Category One and Category Two Services” section, and consistent with the 2019 *Protecting Against National Security Threats Order*, we proposed adding a note to reflect the Commission’s prohibition on the use of E-Rate funds to purchase or obtain any equipment or services produced or provided by a company that the Commission has designated as a national security threat to the integrity of communications networks or the communications supply chain.<sup>8</sup> Second, consistent with the 2019 *Category Two Report and Order*, we proposed adding language to the funding year 2021 eligible services list to reflect the Commission’s adoption of school district-wide and library system-wide category two budgets effective in funding year 2021.<sup>9</sup> The comment cycle for the *Funding Year 2021 Eligible Services List Public Notice* closed on September 4, 2020.<sup>10</sup>

## B. Discussion

4. As an initial matter, we waive the requirement in section 54.502(d) of the Commission’s rules that the eligible services list be released at least 60 days prior to the opening of the application filing window.<sup>11</sup> Section 1.3 of the Commission’s rules allows the Commission to waive a rule on its own motion for good cause shown.<sup>12</sup> To ensure that the application filing window opens with enough time to allow USAC to process and applicants to submit applications for funding year 2021, we find a waiver of our rule is appropriate and in the public interest.<sup>13</sup> In waiving our rule, we are particularly cognizant of the need to ensure both USAC and applicants have as much time as they had last year to process and submit applications as they continue to face the ongoing challenges and disruptions caused by the coronavirus (COVID-19) pandemic. We therefore find special circumstances to waive our rule.<sup>14</sup>

5. Next, having considered the record, we update the eligible services list for funding year 2021, which is attached as Appendix B to this Order, by adopting the two changes proposed in the *Funding Year 2021 Eligible Services List Public Notice*. We decline to make any further changes to the eligible services list for the reasons discussed below.

6. First, we add a note under the “Eligibility Explanations for Certain Category One and Category Two Services” section to reflect the Commission’s prohibition on the use of E-Rate funds to

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<sup>7</sup> *Funding Year 2021 Eligible Services List Public Notice* at 1.

<sup>8</sup> *Id.*; see also *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs*, WC Docket No. 18-89, PS Docket Nos. 19-351, 19-352, Report and Order, Further Notice of Proposed Rulemaking, and Order, 34 FCC Rcd 11423, 11433, para. 26 (2019) (*Protecting Against National Security Threats Order*); 47 CFR § 54.9.

<sup>9</sup> *Id.*; see also *Modernizing the E-Rate Program for Schools and Libraries*, WC Docket No. 13-184, Report and Order, 34 FCC Rcd 11219 (2019) (*Category Two Report and Order*).

<sup>10</sup> *Funding Year 2021 Eligible Services List Public Notice* at 1. The Bureau received eight comments and ten reply comments in response to the *Funding Year 2021 Eligible Services List Public Notice*. Appendix A contains a list of the commenters and the acronyms, if any, used herein to refer to these commenters.

<sup>11</sup> See 47 CFR 54.502(d).

<sup>12</sup> See 47 CFR § 1.3. The Commission may exercise its discretion to waive a rule where the particular facts make strict compliance inconsistent with the public interest. *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) (*Northeast Cellular*). In addition, the Commission may take into account considerations of hardship, equity, or more effective implementation of overall policy on an individual basis. *Id.*

<sup>13</sup> *Id.* (The Commission may waive a rule when strict compliance does not serve the public interest.).

<sup>14</sup> See, e.g., *Category Two Report and Order*, 34 FCC Rcd at 11242-43, para. 62 (finding good cause to waive the 60-day rule for opening the filing window after issuance of the eligible services list to allow USAC and applicants with sufficient time to submit and process funding applications for funding year 2020).

purchase or obtain any equipment or services produced or provided by a covered company posing a national security threat to the integrity of communications networks or the communications supply chain. As we stated in the *Funding Year 2021 Eligible Services List Public Notice*, this change is consistent with the 2019 *Protecting Against National Security Threats Order*, where the Commission adopted a rule prohibiting the use of universal service support, including E-Rate funds, to purchase, obtain, maintain, improve, modify, or otherwise support equipment or services produced or provided by any covered companies designated by the Public Safety and Homeland Security Bureau, as well as their parents, affiliates, and subsidiaries.<sup>15</sup>

7. Second, we add language to the eligible services list to reflect the Commission's decision in the 2019 *Category Two Report and Order* to move from entity-level budgets to school district-wide and library system-wide budgets, effective in funding year 2021.<sup>16</sup> We note that we received no comments objecting to either of these changes to the eligible services list.

8. Third, we decline several requests that are beyond the scope of this proceeding, including, for example, those requests to make off-campus use of E-Rate funded services and equipment eligible.<sup>17</sup> Consistent with section 254 of the Telecommunications Act directive that E-Rate support may only be used to "enhance... access to advanced telecommunications and information services for... school classrooms," we remind applicants that off-campus use of eligible services, even if used for an educational purpose, is generally ineligible for support.<sup>18</sup> Further, the eligible services list process "is limited to determining what services are eligible under the Commission's current rules and is generally not intended to be a vehicle for changing any eligibility rules."<sup>19</sup> Accordingly, we decline to address comments requesting that we add new services to the eligible services list.<sup>20</sup> We also decline to address

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<sup>15</sup> *Funding Year 2021 Eligible Services List Public Notice* at 1; *Protecting Against National Security Threats Order*, 34 FCC Rcd at 11433, para. 26.

<sup>16</sup> See *Category Two Report and Order*, 34 FCC Rcd at 11227-28, para. 22.

<sup>17</sup> See, e.g., Letter from Tara Sweeney, Assistant Secretary, Indian Affairs, Department of Interior, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 13-184, at 2-3 (filed Aug. 31, 2020) (Department of Interior *Ex Parte*) (requesting that the eligible services list be modified to support virtual learning activities, among other things); Des Plaines Public Library Comments at 1 (requesting that off-campus use of wireless hotspot devices and the monthly recurring service for such ineligible devices be made eligible); Fort Bend Independent School District Comments (requesting that hotspot equipment for home use be made eligible as a Category Two service and the monthly recurring service for hotspots eligible as a Category One service). Wireless data plans and air cards for mobile devices are only eligible when applicants have demonstrated that they are the most cost-effective option compared to a fixed wireless broadband connection. See *Modernizing the E-Rate Program for Schools and Libraries, Connect America Fund*, WC Dockets 13-184, 10-90, Second Report and Order and Order on Reconsideration, 29 FCC Rcd 15538, 15600, para. 156 (2014) (*2014 Second E-Rate Order*). Furthermore, remote, off-campus use of E-Rate funded services and equipment is generally ineligible. See *Modernizing the E-Rate Program for Schools and Libraries*, WC Docket No. 13-184, Order, 34 FCC Rcd 11959, 11967 (WCB 2019) (adopting the eligible services list for funding year 2020, which provides that "[o]ff-campus use, even if used for an educational purpose, is ineligible for support and must be cost-allocated out of any funding request"); 47 CFR § 54.504(e) (detailing the requirement to cost-allocate ineligible services from requests).

<sup>18</sup> 47 U.S.C. §§ 254(h)(1)(B), (h)(2); see also 47 CFR § 54.504(e) (detailing the requirement to cost-allocate ineligible services from funding requests).

<sup>19</sup> See, e.g., *Comment Sought on Draft Eligible Services List for Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Public Notice, 24 FCC Rcd 7422, 7423 (2009); *Wireline Competition Bureau Seeks Comment on Draft Eligible Services List for Schools and Libraries Universal Service Program*, CC Docket No. 02-6, Public Notice, 26 FCC Rcd 8714, 8718 (WCB 2011); *In the Matter of Schools and Libraries Universal Service Support Mechanism, A National Broadband Plan for our Future*, CC Docket No. 02-6, Order, 28 FCC Rcd 14583, 14588, para. 13 & n.37 (WCB 2013).

<sup>20</sup> Several commenters requested that the Commission make additional services eligible, including: (1) advanced network security and monitoring equipment and services, such as defense against distributed denial of service

(continued....)

comments that recommended changes to program forms,<sup>21</sup> which are the subject of a separate, on-going proceeding.<sup>22</sup>

### III. ORDERING CLAUSE

9. ACCORDINGLY, IT IS ORDERED, that pursuant to the authority contained in sections 1 through 4, 254, 303(r), and 403 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154, 254, 303(r), and 403, sections 0.91 and 54.502 of the Commission's rules, 47 CFR §§ 0.91 and 54.502, this Order is ADOPTED.

10. IT IS FURTHER ORDERED, that pursuant to the authority contained in sections 1 through 4 and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154 and 254, and

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(DDoS) attacks and ransomware prevention and restoration services; (2) equipment and services necessary for compliance with the Children's Internet Protection Act (CIPA); and (3) redundant services in the event of a cyberattack. *See, e.g.*, FFL Comments at 2-7, 11-14 (requesting that advanced network security and monitoring tools be eligible for support); FFL Reply Comments at 1-2 (same); ALA Reply Comments at 2-3 (same); Aruba Reply Comments at 1-2 (same); Cox Reply Comments at 1-3 (same); Fortinet Comments at 1 (same); Illinois Reply Comments at 2 (same); Lake County Reply Comments at 1 (same); SECA Comments at 10-11 (same); SECA Reply Comments at 2-3 (same); Talbot County Comments (requesting next generation firewalls be eligible for support); Anderson School District Comments (noting that the CIPA requires schools to purchase Internet filtering equipment and therefore should be eligible); Mount Vernon Reply Comments (requesting that redundant services be eligible for E-Rate funding in the event of a cyberattack); and Zachray Leiter Comments (same). In the 2019 *Category Two Report and Order*, the Commission declined to make additional services eligible under category two, including those it has either previously made ineligible or that the Commission has previously declined to make eligible. *Category Two Report and Order*, 34 FCC Rcd at 11219, para. 46 and n.122. In reaching this decision, the Commission noted that E-Rate eligible entities should continue to focus requests for category two funding on the internal connections that are truly necessary to deliver high-speed broadband to students and library patrons via local area networks and wireless local area networks. *Id.* We also note that the CIPA statute prohibits E-Rate funding from being used to pay for the equipment and services needed for CIPA compliance. *Federal-State Joint Board on Universal Service, Children's Internet Protection Act*, CC Docket No. 96-45, Report and Order, 16 FCC Rcd 8182, 8204 at paras. 54-55 (2001). We further note that redundant or duplicative services are ineligible for E-Rate support. *See Schools and Libraries Universal Support Mechanism*, CC Docket No. 02-6, Second Report and Order and Further Notice of Proposed Rulemaking, 18 FCC Rcd 9202, 9209-11, paras. 22-24 (2003) (declining to support duplicative services); *Requests for Review by Macomb Intermediate School District Technology Consortium, Schools and Libraries Universal Support Mechanism*, CC Docket No. 02-6, Order, 22 FCC Rcd 8771 (2007) (denying a request for review of the denial of support for redundant networks).

<sup>21</sup> *See, e.g.*, ALA Reply Comments at 2 (requesting that the Commission change or eliminate the Category Two subcategories to improve the application process for schools and libraries, simplify the review and commitment process for USAC, and reduce delays and denials in funding commitments); Fortinet Comments at 2-3 (same); FFL Comments at 11-14 (same); Lake County Reply Comments at 1 (same). We further decline to address SECA's request to allow cabling between two different schools on the same campus to be requested as either a Category One service or a Category Two service. SECA Comments at 9-10. In the FY2018 ESL Order, we explained that Commission distinguished internal connections from wide area networks (WANs) and held that WANs "are not internal connections because they do not provide connections within a school or library." *Modernizing the E-Rate Program for Schools and Libraries*, WC Docket No. 13-184, Order, 32 FCC Rcd 7414, 7416, para. 7 (WCB 2017) (*FY2018 ESL Order*) (citing to *Federal-State Joint Board on Universal Service*, CC Docket Nos. 96-45, 96-262, 94-1, 91-213, 95-72, Fourth Order on Reconsideration, Report and Order, 12 FCC Rcd 5318, 5440, para. 193 (1997) (*Fourth Order on Reconsideration*)). The Commission noted "connections between multiple instructional buildings on single school campus would constitute internal connections. Connections between separate schools, however, would not constitute internal connections and would instead be considered a part of a wide area network." *Id.* (citing to *Fourth Order on Reconsideration*, 13 FCC Rcd at 5440, para. 193, n.583).

<sup>22</sup> *See generally Wireline Competition Bureau and Office of the Managing Director Seek Comment on Improving FCC Form 470 Drop-Down Menu*, WC Docket No. 13-184, Public Notice, DA 19-986 (WCB 2019); *Wireline Competition Bureau and Office of the Managing Director Defer Changes to FCC Form 470 to Minimize Burdens on Schools and Libraries Impacted by COVID-19*, WC Docket No. 13-184, Public Notice, DA 20-598 (WCB 2020).

pursuant to the authority in section 1.3 of the Commission's rules, 47 CFR § 1.3, that section 54.502(d), 47 CFR § 54.502(d) IS WAIVED, and such waiver SHALL BECOME EFFECTIVE upon release.

FEDERAL COMMUNICATIONS COMMISSION

Kris Anne Monteith  
Chief  
Wireline Competition Bureau

**APPENDIX A****List of Commenters****Comments and Reply Comments in Response to the  
*Funding Year 2021 Eligible Services List Public Notice*****WC Docket No. 13-184****Commenters**

1. AdTec, Inc.
2. Anderson School District
3. Department of Interior
4. Des Plaines Public Library
5. Fort Bend Independent School District
6. Fortinet
7. Funds for Learning (FFL)
8. State E-rate Coordinators' Alliance (SECA)

**Reply Commenters**

1. American Library Association (ALA)
2. Aruba, a Hewlett Packard Enterprise Company (Aruba)
3. Cox Communications (Cox)
4. Funds for Learning (FFL)
5. Illinois Office of Broadband
6. Lake County Public Library
7. Mount Vernon School District Director of Technology
8. SECA
9. Talbot County Public Schools
10. Zachray Leiter

## APPENDIX B

**Eligible Services List for Funding Year 2021  
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/e-rate/applicant-process/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) 2021.

**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., microwave)

*Notes:* (1) Eligible costs include monthly charges, special construction, installation and activation charges, modulating electronics and other equipment necessary to make a Category One broadband service functional (“Network Equipment”), and maintenance and operation charges. 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.



## **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.

**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**

**Note:** 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).

**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** – As clarified in the *2014 Second E-Rate Order* (FCC 14-189), data plans and air cards for mobile devices are eligible only in instances when the school or library seeking support demonstrates that the individual data plans are the most cost-effective option for providing internal broadband access for mobile devices 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.

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

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.