



E-rate Program

Eligible Services

Fall 2010 Applicant Trainings

Washington, DC | Newark | Minneapolis | Los Angeles | Kansas City | Jacksonville | Portland | Dallas/Fort Worth



Eligible Services for FY 2011

- **Overview**
 - Priority One
 - Telecommunication Services, Telecommunications and Internet Access (IA)
 - Priority Two
 - Internal Connections (IC) and Basic Maintenance of IC (BMIC)
- **What's New**
 - Dark Fiber
- **Services Updates**
 - Web Hosting
 - Wireless Internet Access
 - Ineligibles
 - BMIC



Eligible Services

Overview

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Overview

Priority One – Telecommunications Services

- Support for telecom services
- Examples:
 - Local and Long Distance service
 - Cellular Service
 - Text messaging
 - Ethernet

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Overview

Priority One – Telecommunications Services

- Other examples of eligible telecom services
 - T-1, T-3
 - DSL
 - PRI
 - Satellite service
 - Interconnected Voice over Internet Protocol (VoIP)
 - Taxes and fees
 - Installation and configuration

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Overview

Priority One – Telecommunications Services

- Some examples of services NOT eligible:
 - Broadcast “Blast” messaging
 - Monitoring services for 911, E911 or alarm telephone lines
 - Services to ineligible locations
 - End-user devices

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Overview

Priority One - Telecommunications

- Telecommunications Services and Telecommunications are now two categories on the Eligible Services List (ESL)
 - **Telecommunications Services** can only be provided by an eligible telecommunications carrier
 - On Form 470/471 as Telecommunications Services
 - **Telecommunications** can be provided by non-telecommunications carriers via fiber in whole or in part
 - On Form 470/471 as Telecom or Internet Access



Overview

Priority One – Internet Access

- Support for Internet Access includes the Internet Service Provider (ISP) fees and the conduit to the Internet
- Examples also include:
 - E-mail Service
 - Wireless Internet Access
 - Web Hosting
 - VoIP



Overview

Priority One – Internet Access

- Some examples of services NOT eligible:
 - Costs for Internet Content
 - Subscription services such as monthly charges for on-line magazine subscriptions
 - Internet2 membership dues
 - Web site creation fees
 - Software, services, or systems used to create or edit Internet content



Overview

Priority Two – Internal Connections

- Support for equipment and cabling on-site that transport information to classrooms or public rooms of a library
- Does NOT include end-user components such as computers
- Subject to the [Two-in-Five](#) Rule
 - Entities can only receive funding every two out of five years



Overview

Priority Two -Internal Connections

Not Eligible	Eligible
 Telephone/Cell Phone - End-User Equipment	 — To LAN (VoIP) or Voice Network —
 Laptop – End-User Equipment	 — To LAN — Access Point – Data Distribution
 Video Camera – End-User Equipment	 — To LAN — CODEC – Video Components

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Overview

Priority Two -Internal Connections

Eligibility		Product - Function
Eligible		Router – Data Distribution Switch – Data Distribution E-mail Server - Servers DHCP/DNS Server - Servers
Conditionally Eligible *		Tape Drive - Data Protection Uninterruptible Power Supply (UPS) - Data Protection
Not Eligible		Application Server - Servers

Conditions:
 *Eligible if used with eligible equipment.
 Cost Allocation may be utilized if supporting ineligible equipment

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Overview

Priority Two – Basic Maintenance of Internal Connections

- Support for basic maintenance of eligible internal connections
- Examples:
 - Repair and upkeep of eligible hardware
 - Wire and cable maintenance
 - Basic technical support
 - Configuration changes

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Overview

Priority Two – Basic Maintenance of Internal Connections

- Agreements or contracts must state the eligible components covered, make, model and location
- Service must be delivered within the July 1st to June 30th timeframe
- Two-in-Five Rule does not apply to BMIC

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Eligible Services

What's New



What's New

Leased Dark Fiber for FY 2011

- Leased Dark Fiber included as Telecommunications on the FY2011 Eligible Services List
- Support for the lease of fiber, whether lit or dark, as a priority one service, from *any* entity
- On the FCC Form 471, applicants should select the Telecom box if the leased fiber is provided by a telecom carrier
- In all other cases, the applicant should select the Internet Access box



What's New

Leased Dark Fiber for FY 2011

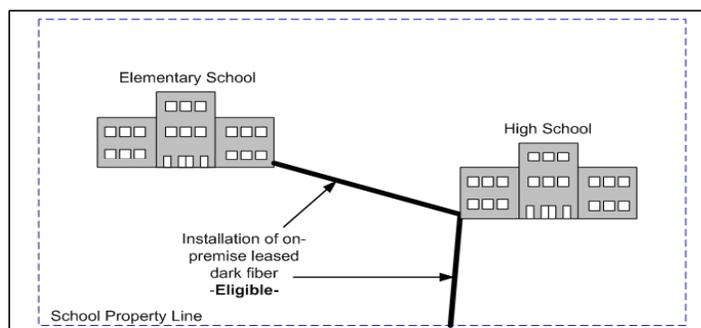
- Dark fiber must be lit immediately
- Does NOT allow for unneeded capacity or warehouse dark fiber for future use
- Maintenance costs of dark fiber and installation costs to hook up the dark fiber are eligible
 - This includes charges for installation within the property line
- The purchase or lease of modulating electronics in Priority One is NOT eligible



What's New

Leased Dark Fiber Installation Diagram

- Installation costs to hook up the dark fiber is eligible including charges within the property line

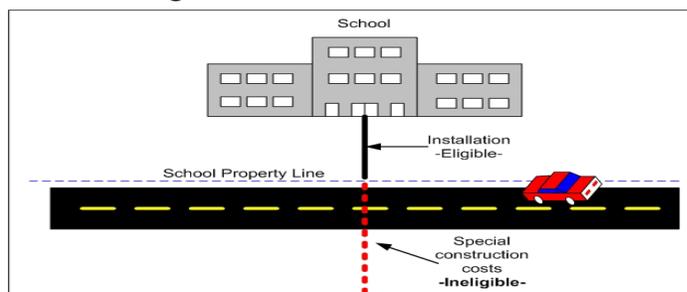


Leased Dark Fiber for FY 2011

- Special Construction charges to build out connections from applicants' facilities to an **off-premise** fiber network are NOT eligible
- Some examples of **ineligible** special construction charges include:
 - Design and engineering costs
 - Project management costs
 - Digging trenches
 - Laying fiber

Leased Dark Fiber Installation Diagram

- Special Construction charges to build out connections from applicants' facilities to an **off-premise** fiber network are NOT eligible





Eligible Services

Services Updates



Services Updates

Web Hosting

- Web hosting **change**:
 - Blogging and discussion boards are **now** eligible
- Status quo:
 - Remains eligible for discount as Internet access
 - Web features including content created by third party vendors, databases for grades, student attendance files, or other reports are **NOT** eligible
 - These ineligible web features must be cost allocated



Services Updates

Wireless Internet Access Applications

- Wireless IA Applications update:
 - Wireless service dedicated to an ineligible service or group of services will be deemed **entirely ineligible**
 - For example, cellular service for the GPS tracking for a bus is **entirely ineligible**
 - Bundled services will require **cost allocation**
 - For example, a voice plan for the bus driver and a data plan for GPS tracking must be **cost allocated** to remove the data plan
 - USAC will conduct outreach to applicants if no reasonable cost allocations were provided



Services Updates

Other Ineligibles

- Separately priced firewalls in Priority One are not eligible
 - Bundled firewalls included with Internet access service is eligible
 - Firewalls are eligible as Internal Connections
- Intrusion Detection/Intrusion Prevention Devices are not eligible
- Anti-Spam and Anti-Virus Software are not eligible
- On-line backup solutions are not eligible
- Scheduling services are not eligible



Services Updates

Basic Maintenance of Internal Connections Clarifications

- Unbundled warranties are NOT eligible
- Unbundled warranties allow for broken equipment to be fixed or if it is beyond repair, replaced
- Unbundled warranties are considered a type of retainer and not as an actual maintenance service
- This does not apply to a manufacturer's warranty of no more than three years that is included in the price of the equipment OR
- If the retainer is tied to actual service performed



Services Updates

Basic Maintenance of Internal Connections

- Applicants may make estimates based on:
 - Hours per year of maintenance
 - History of needed repairs and upkeep
 - Current life of eligible internal connections
- Basic maintenance will be paid on the actual work performed and hours used only



Eligible Services

Questions?