

E-Rate: Eligible Services

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Agenda



- What is the Eligible Services List (ESL)
- How do I use the ESL
- What are the new things in ESL

What is the ESL?

- The Eligible Services List provides guidance on the eligibility of products and services under the Schools and Libraries Program.
- Only certain products and services, used in certain ways, are eligible for the E-Rate program.
- Eligibility is based on criteria established by statute and Federal Communications Commission (FCC) rules.

ESL Overview:



- How a product or service is used can affect whether or not the product or service is eligible.
- Each of four separate categories of service (telecommunications, Internet access, internal connections, and basic maintenance of internal connections) has its own rules for eligibility.
- The Eligible Services List itself contains further information to guide applicants and service providers.

Nature of Eligibility

- Eligibility for support requires not only that:
 - the product or service is eligible, but
 - that it is put to an eligible use and
 - that it is used by an eligible school or library entity
 - at an eligible location



Educational Purposes



- Activities that are integral, immediate, and proximate to the education of students, qualify as "educational purposes." Activities that occur on school property are presumed to be integral, immediate, and proximate to the education of students or the provision of library services to library patrons.
- The customary work activities of school employees and customary activities that occur on school property are presumed to be activities for educational purposes.



Categories of Service:

First Priority for Funding (Priority 1 Services)

- **Telecommunications Services**
 - These are services that are used to communicate information electronically between sites. The services must be provided by a telecommunications carrier - i.e., an organization recognized by the FCC as providing telecommunications services on a common carrier basis. Examples of telecommunications services include basic telephone service and digital transmission services such as T-1 lines.



Categories of Service:

First Priority for Funding (Priority 1 Services)

- **Internet Access**
 - "Basic conduit access" to the Internet including e-mail is eligible for discount and can be provided by a telecommunications carrier or any commercial organization.



Categories of Service:

Second Priority for Funding (Priority 2 Services)

- **Internal Connections**
 - Internal connections consist of the wiring and components that expand data access within a school or library such as to individual classrooms within a school. Internal connections can be provided by any commercial organization.



Categories of Service:

Second Priority for Funding (Priority 2 Services)

- **Basic Maintenance**
 - Basic maintenance of internal connections consists of services "necessary to enable the continued operation of the eligible equipment." It includes: repair and upkeep of eligible hardware, wire and cable maintenance, basic technical support, and configuration changes.

Eligibility of Priority 1 and Priority 2 for NIFs

- Telecommunications services and Internet access provided to NIFs located on school property are eligible for support
- Support is not available for internal connections in the NIF of a school or school district, unless those internal connections are essential for the effective transport of information to an instructional building

Ancillary Use of Ineligible Components

- When a product or service is partially eligible for support but contains ineligible components, a cost allocation is usually employed so that funding can be provided for the eligible portion.
- In some cases, ineligible features are an insubstantial and inseparable component part of a product or service and FCC rules allow full funding for the product or service in certain limited cases.

Ancillary Use of Ineligible Components

- Ineligible functionality is considered "ancillary" if:
 - a price for the ineligible component cannot be determined, and
 - the product or service is the most cost-effective means of obtaining the eligible functionality without regard to the value of the ineligible functionality.



How to Use the ESL

- Carefully read the entire ESL every year and compare the list from the previous year. Important changes can be determined from this step.

<http://www.usac.org/sl/tools/eligible-services-list.aspx>

- Understand what all the **eligible** components mean and how they fit into your district vision.
- Understand what all the **ineligible** components mean and how they effect your district.

What are the new things in ESL for FY 13 (2009-2010)

- Listing Ethernet as an eligible digital transmission technology
- Clarifying that text messaging is an eligible telephone service component
- Expanding the categories in which applicants can seek interconnected VoIP services by adding interconnected VoIP to the telecommunications and Internet access categories

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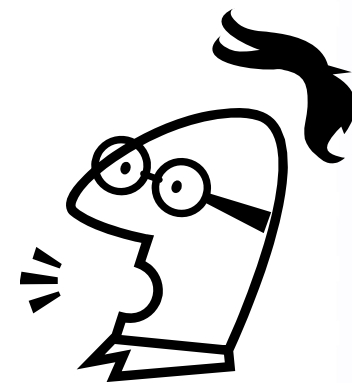
What are the new things in ESL for FY 13 (2009-2010)

- Clarifying that password-protected web pages are eligible as part of web hosting services
- Including wireless local area network controllers as eligible under internal connections
- Finding that user licenses for interconnected VoIP systems are eligible under internal connections as server-based software

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What are the new things in ESL for FY 13 (2009-2010)

- Adding unbundled warranty as eligible under the basic maintenance of internal connections category
- Adding virtualization software as an eligible software for which funding can be sought in internal connections category



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What are the new things in ESL for FY 13 (2009-2010)

- Specifying that the following products or services are not eligible for discounts:
 - Broadcast messaging
 - Power distribution units
 - Video-on-demand servers
 - Softphones
 - Interactive white boards
 - Email archiving beyond the storage component that allows current emails that have been received to be viewed by the user

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Contact Information

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Questions?