



# PUBLIC NOTICE

Federal Communications Commission  
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## PLEADING CYCLE ESTABLISHED FOR ELIGIBLE SERVICES LIST FOR UNIVERSAL SERVICE MECHANISM FOR SCHOOLS AND LIBRARIES

CC Docket No. 02-6

**Comment Date: August 23, 2004**  
**Reply Comment Date: August 30, 2004**

To promote greater transparency to what is eligible for support under the schools and libraries support mechanism, on December 23, 2003 the Commission adopted a rule which formalizes the process for updating the eligible services list, beginning with Funding Year 2005.<sup>1</sup> Under the new rule, USAC is required to submit annually, a draft of its updated eligible services list for the following funding year. The rule also requires that the Commission issue a Public Notice seeking comment on USAC's proposed eligible services list. Finally, at least sixty days prior to the opening of the window for the following funding year, the rule requires the Commission to issue a public notice attaching the final eligible services list for the upcoming funding year.

We hereby seek comment on the attached draft eligible services list. We emphasize to commenters that this proceeding is limited to determining what specific services are eligible under the Commission's current rules; it is not intended to be a vehicle for changing any eligibility rules.

Interested parties may file comments on or before **August 23, 2004**, and reply comments on or before **August 30, 2004**. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies.<sup>2</sup>

Comments filed through the ECFS can be sent as an electronic file via the Internet to <http://www.fcc.gov/e-file/ecfs.html>. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send an e-mail to [ecfs@fcc.gov](mailto:ecfs@fcc.gov), and should include the following words in the body of the message, "get form <your e-mail address>." A sample form and directions will be sent in reply.

<sup>1</sup> See 47 C.F.R. § 54.522.

<sup>2</sup> See Electronic Filing of Documents in Rulemaking Proceedings, 63 Fed. Reg. 24121 (1998).

Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, commenters must submit two additional copies for each additional docket or rulemaking number. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). The Commission's contractor, Natek, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, SW, Washington, D.C. 20554. All filings must be addressed to the Marlene H. Dortch, Office of the Secretary, Federal Communications Commission.

Parties who choose to file by paper also must send three paper copies of their filing to Sheryl Todd, Telecommunications Access Policy Division, Wireline Competition Bureau, Federal Communications Commission, 445 12th Street, S.W., Room 5-B540, Washington, D.C. 20554. In addition, commenters must send diskette copies to the Commission's copy contractor, Best Copy and Printing, Inc. (BCPI), Portals II 445 12th Street, Suite CY-B402, Washington, DC 20554.

Pursuant to section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, this proceeding will be conducted as a permit-but-disclose proceeding in which ex parte communications are permitted subject to disclosure. For further information, contact Jennifer Schneider or Greg Lipscomb, Telecommunications Access Policy Division, Wireline Competition Bureau at (202) 418-7400, TTY (202) 418-0484.

Action taken by the Commission on August 12, 2004: Chairman Michael K. Powell, and Commissioners Kathleen Q. Abernathy, Michael J. Copps, Kevin J. Martin and Jonathan S. Adelstein.

## **Eligible Services List Schools and Libraries Support Mechanism For Fund Year 2005**

### **Overall Eligibility Requirements for All Categories of Service:**

The Eligible Services List indicates whether specific products or services may be able to receive discounts under the Schools and Libraries Support Mechanism. Eligibility for discounts requires the eligible use of eligible products or services by eligible entities at eligible locations for eligible purposes.

If a product or service is not eligible under program rules, it is labeled "Not Eligible." If no indication of ineligibility is provided, the product or service may be eligible, depending on details of its use. Conditions for eligibility are provided in this Eligible Services List, and in information provided in the [Reference Area of the SLD web site](#). In addition, some entries in this List include links to Special Eligibility Conditions that provide further information. These Special Eligibility Conditions appear at the end of this document.

**NOTE CONCERNING COMBINED PRIORITY 1 SERVICES:** Some service offerings provide a combination of Priority 1 services—including both Internet Access and Telecommunications. For example, a service provider may provide a combined offering of local phone service, long distance service, cellular service, and Internet access for one price. For administrative convenience, such a combined offering, if provided by an eligible telecommunications provider, may be requested in the Telecommunications category of service. Alternatively, funding may be requested as two separate requests for Telecommunications Services and Internet Access, with the price of the offering divided between the two requests.

This version of the Eligible Services List is dated [to be determined]. Some eligibility information in this List is a change from prior years and applies to products and service funding requests for Funding Year 2005.

### **Telecommunications Services**

#### **Eligibility Requirements for All Telecommunications Services:**

To be eligible for support, Telecommunications Services must be provided by an eligible telecommunications provider, that is, one who provides Telecommunications on a common carriage basis.

A telecommunications service is "the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used" [47 U.S.C. 153(46)]. Telecommunications is defined as "the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received" [47 U.S.C. 153(43)]. A State commission may upon its own motion or upon

request designate a common carrier that meets the requirements as set forth in the Communications Act of 1934, Section 214 {47 U.S.C. 214}(e)(2) Designation of Eligible Telecommunications Carriers.

Eligibility in this category of service is for the procurement of Telecommunications Services, and not component purchases by applicants.

Please be aware that IP-enabled services are the subject of an open proceeding at the FCC to determine, among other things, whether certain types are telecommunications services. See *IP-Enabled Services*, Notice of Proposed Rulemaking, 19 FCC Rcd 4863 (2004).

<b>Product Type (Function)</b>	<b>Description</b>	<b>Eligibility</b>
800 Service (Telecommunications)	<p><b>Description:</b> 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.</p> <p><b>Eligibility:</b> 800 Service is generally eligible for discount. However, the use of 800 service to access a school or library network for Internet access/data connectivity from an ineligible location (such as a home) is not eligible. Applicants who make available Internet access to eligible users via 800 Service must submit a certification that access will not be available from non-school or non-library sites.</p>	
900 / 976 Charges (Telecommunications)	<p><b>Description:</b> "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.</p> <p><b>Eligibility:</b></p>	Not Eligible

	<p>900 Service and the cost of dialing into a 900 Service Provider are not eligible for discount. Similarly, the service and cost of dialing into 976 numbers are not eligible.</p>	
<p>900 /976 Call Blocking (Telecommunications)</p>	<p><b>Description:</b> 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.</p> <p><b>Eligibility:</b> As a component of an eligible telecommunications service, 900/976 call blocking is eligible for discount.</p>	
<p>911 / E911 Trunks / Lines (Telecommunications)</p>	<p><b>Description:</b> 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).</p> <p><b>Eligibility:</b> 911 or E911 trunks or lines are eligible for discount. However, 911 and E911 monitoring services are information services and therefore are not eligible.</p>	
<p>Alarm Telephone Line (Telecommunications)</p>	<p><b>Description:</b> An alarm telephone line is a telecommunications line specifically dedicated to a school or library's 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.</p> <p><b>Eligibility:</b> A telecommunications circuit used for alarm monitoring is eligible for discount. However, alarm monitoring services are information services and therefore are not eligible.</p>	
<p>Asynchronous Transfer Mode (ATM) Service (Telecommunications)</p>	<p><b>Description:</b> ATM is a Digital Transmission Service.</p> <p><b>Eligibility:</b> Leased data circuits that connect an eligible school or library facility to other locations beyond the school or library are eligible for discount. Please see the Special Eligibility Condition below for</p>	

	<p>further information.</p> <p><b>Special Eligibility Conditions:</b>  <a href="#">Digital Transmission Services</a></p>	
<p>Cellular Service (Telecommunications)</p>	<p><b>Description:</b>  Cellular Service uses radio transmissions to access other telephone-company networks. Service is provided in a particular area by a low-power transmitter.</p> <p><b>Eligibility:</b>  The cost of Cellular service to eligible users is eligible for discount, but the cost of telephones or associated maintenance on the equipment is not. Please see the Special Eligibility Conditions below for further information.</p> <p><b>Special Eligibility Conditions:</b>  <a href="#">Eligible Users and Locations</a>  <a href="#">Telephone Service and Technology Plans</a></p>	
<p>Centrex (Telecommunications)</p>	<p><b>Description:</b>  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 and extended to the customer's premises via local distribution facilities.</p> <p><b>Eligibility:</b>  Centrex service is eligible for discount. Eligible costs can include fees for Centrex common equipment, which is a charge assessed to recover the cost of central office-based software features. Services that provide Centrex-like features but are marketed under different names are also eligible for discount. Please see the Special Eligibility Condition below for further information.</p> <p><b>Special Eligibility Conditions:</b>  <a href="#">Telephone Service and Technology Plans</a></p>	
<p>Conferencing Services (Telecommunications)</p>	<p><b>Description:</b>  Conferencing Services provide a means for multiple users to participate in group discussions via telephone circuits or video facilities.</p> <p><b>Eligibility:</b></p>	

	<p>Services beyond those provided by a school or library's internal facilities that provide telephone conference calls or video conferencing are eligible for discount if the conference services are only used for eligible educational and library purposes, or if an auditable monitoring system is established that provides a way to allocate between eligible and ineligible uses.</p> <p><b>Example:</b> Per-minute conferencing charges for a government-wide strategic planning teleconference would not be eligible, but per-minute conferencing charges limited to educational purposes and educational personnel would be eligible.</p>	
<p>Custom Calling Services (Telecommunications)</p>	<p><b>Description:</b> Custom calling services extend the features available with telephone service. Features available include call waiting, 3-way calling, speed calling, distinctive ring, and call forwarding.</p> <p><b>Eligibility:</b> As features associated with an eligible telecommunications service, custom calling services are eligible for discount.</p>	
<p>Digital Subscriber Line (DSL) Service (Telecommunications)</p>	<p><b>Description:</b> Digital Subscriber Line (DSL) is a Digital Transmission Service.</p> <p><b>Eligibility:</b> Leased data circuits that connect an eligible school or library facility to other locations beyond the school or library, including an Internet Service Provider, are eligible for discount as a telecommunications service. Please see the Special Eligibility Condition below for further information. See also the entry for Digital Subscriber Line (DSL) Internet Access in the Internet Access section.</p> <p><b>Special Eligibility Conditions:</b> <a href="#">Digital Transmission Services</a></p>	
<p>Digital Transmission Services (Telecommunications)</p>	<p><b>Description:</b> Digital Transmission Services refer to data links that connect multiple points, using any available technology.</p> <p><b>Eligibility:</b></p>	

	<p>Leased data circuits for voice, video, and/or data that connect an eligible school or library facility to other locations beyond the school or library, including an Internet Service Provider, are eligible for discount.</p> <p>Technologies employed may include, but are not limited to: Asynchronous Transfer Mode (ATM), Digital Subscriber Line (DSL, ADSL, SDSL, HDSL, IDSL, VDSL), DS-1, DS-2, DS-3, Frame Relay, Integrated Services Digital Network (ISDN), OC-1, OC-3, OC-12, OC-N, Satellite Switched Multimegabit Data Service (SMDS), T-1, T-2, T-3, Fractional T-1, and Wireless. See also the entry for Wide Area Network in this section.</p> <p>Connections that provide voice, video, or data connectivity exclusively within school or library grounds are not eligible for funding as a Telecommunications Service, but may be eligible as Internal Connections.</p>	
Direct Broadcast Satellite (Telecommunications)	<p><b>Description:</b> Direct Broadcast Satellite (DBS) is a technology that uses satellite to transmit TV programs to its 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.</p> <p><b>Eligibility:</b> Broadcast radio and television, and cable television, are not telecommunications services. Costs to access or obtain them are not eligible for discount.</p>	Not Eligible
Direct Inward Dialing (Telecommunications)	<p><b>Description:</b> Direct Inward Dialing (DID) service allows outside calls to be directed to a Private Branch Exchange station line without the use of an operator.</p> <p><b>Eligibility:</b> Direct Inward Dialing is eligible for discount.</p>	
Directory Advertising (Telecommunications)	<p><b>Description:</b> Directory Advertising is advertising in a telephone directory yellow pages,</p>	Not Eligible

	<p>Internet, or elsewhere. This may be provided by the telephone company or another entity.</p> <p><b>Eligibility:</b> The cost associated with directory advertising is not a Telecommunications Service and is not eligible for discount.</p>	
<p>Directory Assistance Charges (Telecommunications)</p>	<p><b>Description:</b> 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.</p> <p><b>Eligibility:</b> Directory Assistance Charges are eligible for discount. However, see also the entry for Reverse Directory Assistance.</p>	
<p>Directory Listing (Telecommunications)</p>	<p><b>Description:</b> 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.</p> <p><b>Eligibility:</b> Fees for an additional directory listing, an unlisted number, an unpublished number, a bolded listing, or other extra-cost directory features are not eligible for discount.</p>	<p>Not Eligible</p>
<p>Distance Learning Circuits (Telecommunications)</p>	<p><b>Description:</b> 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.</p> <p><b>Eligibility:</b> Transmission services that provide Distance Learning are eligible for discount. However, services that include their own content are not eligible. See also the entry for Wide Area Network (WAN) Services.</p>	

<p>Fax Machine Line (Telecommunications)</p>	<p><b>Description:</b> A fax machine telephone line is a telecommunications line specifically dedicated to a school or library's fax machine.</p> <p><b>Eligibility:</b> A fax machine line is eligible for discount.</p>	
<p>Frame Relay Service (Telecommunications)</p>	<p><b>Description:</b> Frame relay service is a Digital Transmission Service.</p> <p><b>Eligibility:</b> Leased data circuits that connect an eligible school or library facility to other locations beyond the school or library are eligible for discount. Please see the Special Eligibility Condition below for further information.</p> <p><b>Special Eligibility Conditions:</b> <a href="#">Digital Transmission Services</a></p>	
<p>Homework Hotline Service (Telecommunications)</p>	<p><b>Description:</b> A Homework Hotline Service is typically provided as a toll free telephone number for students to contact the school regarding questions on homework.</p> <p><b>Eligibility:</b> Telecommunications Services and voice mail services used to provide a Homework Hotline Service are eligible. However, charges for creation, configuration, or maintenance of content are not eligible.</p>	
<p>Inside Wire Maintenance Plan (Telecommunications)</p>	<p><b>Description:</b> An Inside Wire Maintenance Plan is a monthly recurring charge that provides for the repair, replacement and maintenance of customer owned inside premise wire. Cost of the service is sometimes included in regular monthly bills for local and long distance telephone services.</p> <p><b>Eligibility:</b> An inside wire maintenance plan is eligible as a component part of a telecommunications service if clearly ancillary to such telecommunications service. An inside wire maintenance plan that does not meet these conditions may be eligible in the</p>	

	<p>Internal Connections category of service. See the entry for "Wire and Cable Maintenance" for further information.</p> <p>Plans that provide network management of customer-owned wire or equipment, in addition to maintenance, are not eligible. Wire maintenance plans that contain provisions for a free loaner telephone are not eligible for discount, unless the school or library agrees not to make use of the free loaner telephone.</p>	
<p>Interactive Television (ITV) (Telecommunications)</p>	<p><b>Description:</b> Interactive TV (ITV) provides a means for a viewer to interact with the television set in ways other than controlling the channel and the volume and handling videotapes. In an education setting such as in a school, ITV provides a means for teachers and students who are remotely located in different places to conduct a class and to interact with each other. ITV requires a special "set-top box" to be added to the existing television set.</p> <p><b>Eligibility:</b> A Digital Transmission Service that provides Interactive TV is eligible for discount, provided that the service does not include its own content. Please see the Special Eligibility Condition below for further information.</p> <p><b>Special Eligibility Conditions:</b> <a href="#">Digital Transmission Services</a></p>	
<p>Internet2 (Telecommunications)</p>	<p><b>Description:</b> Internet2 is a consortium of universities, industry, and government for development and deployment of advanced network applications and technologies.</p> <p><b>Eligibility:</b> A telecommunications link that connects an eligible entity to Internet2 is eligible for discount. Membership dues or any fees for non-telecommunications services are not eligible.</p>	
<p>Local Measured Service</p>	<p><b>Description:</b> Local telephone companies use several</p>	

(Telecommunications)	<p>methods to bill for local wireline service, such as Flat Rate, Message Rate, Measured Rate, and Local Measured Service. Local Measured Service typically allows an unlimited number of incoming calls. Outgoing calls beyond a certain threshold result in extra charges.</p> <p><b>Eligibility:</b> Local Measured Service and other billing options for providing telephone service are eligible for discount.</p>	
<p>Long Distance Telephone Service (Telecommunications)</p>	<p><b>Description:</b> Long distance telephone service is provided by interexchange carriers, and provides telephone service outside of a local calling area.</p> <p><b>Eligibility:</b> Long Distance Service and associated charges are eligible for discount.</p>	
<p>Message Rate Service (Telecommunications)</p>	<p><b>Description:</b> Local telephone companies use several methods to bill for local wireline service, such as Flat Rate, Message Rate, Measured Rate, and Local Measured Service. Message Rate Service provides a certain number of "call units." Various call lengths and distances can use a different number of call units. Calls in excess of the message rate allocation result in additional charges.</p> <p><b>Eligibility:</b> Message Rate Service and other billing options for providing telephone service are eligible for discount.</p>	
<p>Metropolitan Area Network (MAN) (Telecommunications)</p>	<p><b>Description:</b> A Metropolitan Area Network (MAN) is a data network designed for a town or city.</p> <p><b>Eligibility:</b> For eligibility under the "E-Rate" program, a MAN and a Wide Area Network (WAN) are considered the same. See the listing for Wide Area Network (WAN) Services in this section for eligibility conditions.</p>	
<p>Network Access Register (Telecommunications)</p>	<p><b>Description:</b> Used with Centrex service, the Network Access Register (NAR) serves the same</p>	

	<p>function as a Private Branch Exchange (PBX) trunk in that it provides access to and from the telephone company central office. The number of simultaneous calls to and from the public switched telephone network is equal to the number of NARs the Centrex customer subscribes to. NARs also may be used in conjunction with other eligible telecommunications services such as Network Access Service and Network Access Register Usage Package.</p> <p><b>Eligibility:</b> Network Access Registers are eligible for discount.</p>	
Paging Service (Telecommunications)	<p><b>Description:</b> Paging is a service designed to deliver a message to a person whose exact location is unknown. The service employs radio signals that activate a paging receiver carried by the intended recipient to deliver a text or voice message.</p> <p><b>Eligibility:</b> Paging service is eligible for discount when it is “integral, immediate, and proximate” to the education of students or the provision of services to library patrons. Services occurring on a school or library campus are presumed to meet this requirement, as well as, for example, paging services of a bus driver delivering students to school, a library staff member’s use in a mobile van, and use by teachers on field trips. Please see the Special Eligibility Condition below for further information. The cost of pagers (also known as beepers), paging equipment, and maintenance of these products is not eligible for discount.</p> <p><b>Special Eligibility Conditions:</b> <a href="#">Eligible Users and Locations</a></p>	
Payphone Telephone Service (Telecommunications)	<p><b>Description:</b> Payphone (or coin) telephone service is provided in a public or semi-public place, and requires the use of coins, credit card, pre-pay card or other means of payment for the telephone call, at the time of placing the call.</p>	Not Eligible

	<p><b>Eligibility:</b> Both the payphone service and the cost of the actual payphones are ineligible for discount.</p>	
<p>Permanent Virtual Circuit (Telecommunications)</p>	<p><b>Description:</b> Permanent Virtual Circuits (PVCs) are shared connections between end-points and do not require the use of call set-up and tear-down procedures because each end-point is permanently allocated a portion of bandwidth. The path between users is fixed. If one or more end-points have no data to transmit, its portion of the bandwidth goes unused. PVCs play a central role in Frame Relay networks. They're also supported in some other types of networks, such as X.25.</p> <p><b>Eligibility:</b> As a component part of a Telecommunications Service, the cost of PVCs is eligible for discount.</p>	
<p>Personal Communications Services (PCS) (Telecommunications)</p>	<p><b>Description:</b> Personal Communications Services (PCS) is an advanced wireless network architecture similar to Cellular Service.</p> <p><b>Eligibility:</b> The cost of Personal Communications Service to eligible users is eligible for discount, but the cost of telephones or associated maintenance on the equipment is not. Please see the Special Eligibility Conditions below for further information.</p> <p><b>Special Eligibility Conditions:</b> <a href="#">Eligible Users and Locations</a> <a href="#">Telephone Service and Technology Plans</a></p>	
<p>Phone Calling Cards (Telecommunications)</p>	<p><b>Description:</b> Telephone Calling Cards provide a convenient means to make long distance calls from any phone.</p> <p><b>Eligibility:</b> Calling cards that provide telecommunication services, used for eligible purposes, are eligible for discount.</p>	
<p>PIC Change Charge (Telecommunications)</p>	<p><b>Description:</b> The PIC, or Primary Interexchange Carrier, is the long distance company</p>	

	<p>to which traffic from a given location is automatically routed when dialing 1+ in an equal access area. The selection of the carrier is done by the local telephone customer and becomes a part of the telephone company's records for routing long distance calls made by the customer's number. When the PIC is changed from one long distance company to another at the request of the customer there is a one-time PIC Change Charge assessed by the local telephone company to cover the cost of reprogramming the telephone company central office switch.</p> <p><b>Eligibility:</b> The PIC Change Charge is eligible for discount.</p>	
POTS (Telecommunications)	<p><b>Description:</b> "POTS" stands for "Plain Old Telephone Service," and provides local telephone dial tone service.</p> <p><b>Eligibility:</b> Eligibility is limited to business telephone service, except in cases where state or local law allows a school or library to receive local service at the residential rate. See the entry for Telephone Service for further eligibility information.</p>	
Radio Loop (Telecommunications)	<p><b>Description:</b> Radio Loop is provided by a local exchange telecommunications carrier and is also called Basic Exchange Telecommunications Radio Service (BETRS). BETRS is used by local telephone companies to provide dial tone to subscribers in certain circumstances, such as when it is either not technically possible or cost effective to provide the service by conventional means.</p> <p><b>Eligibility:</b> When used as a means of providing an otherwise eligible Telecommunications Service, radio loop is eligible for discounts.</p>	
Residential Telephone Service	<p><b>Description:</b> Residential telephone service is</p>	

(Telecommunications)	<p>designed for homes and residences, but not commercial establishments.</p> <p><b>Eligibility:</b> In general, residential telephone service is not eligible. Eligibility is limited to business telephone service, except in cases where state or local law allows a school or library to receive local service at the residential rate.</p>	
Reverse Directory Assistance	<p><b>Description:</b> Reverse Directory Assistance is a service that can use a phone number to provide the name and in some cases the address of the owner of that phone number.</p> <p><b>Eligibility:</b> Reverse Directory Assistance is not eligible for discount. See also the entry for Directory Assistance.</p>	Not Eligible
Satellite Service (Telecommunications)	<p><b>Description:</b> Satellite service is a Digital Transmission Service.</p> <p><b>Eligibility:</b> Leased data circuits that connect an eligible school or library facility to other locations beyond the school or library are eligible for discount. Satellite communication that provides a broadcast service is not eligible. Please see the Special Eligibility Condition below for further information. See also the entry for Wireless Wide Area Network for eligibility information concerning satellite dishes.</p> <p><b>Special Eligibility Conditions:</b> <a href="#">Digital Transmission Services</a></p>	
Shared Telephone Service (Telecommunications)	<p><b>Description:</b> Shared telephone service involves the sharing of a single service between two or more entities. As an example, a telephone line may be shared between a parochial school and the church administrative offices.</p> <p><b>Eligibility:</b> Only that portion of a shared POTS service relating to an eligible use and location would be eligible. Please see the Special Eligibility Condition below for further information.</p> <p><b>Special Eligibility Conditions:</b></p>	

	<a href="#">Cost Allocation</a>	
Telephone Service (Telecommunications)	<p><b>Description:</b> Telephone service includes local phone service (sometimes known as “Plain Old Telephone Service” or POTS), Cellular/Personal Communications Service (PCS), and long distance telephone service, and involves individual wire or wireless lines provided by a telecommunications provider.</p> <p><b>Eligibility:</b> Telephone service is eligible. Please see the Special Eligibility Conditions below for further information. Also see the entries in this list for POTS, Long Distance Telephone Service, Cellular Service, and Personal Communications Service (PCS).</p> <p><b>Special Eligibility Conditions:</b> <a href="#">Telephone Service and Technology Plans</a> <a href="#">Eligible Users and Locations</a></p>	
Trunk (Telecommunications)	<p><b>Description:</b> A trunk, or transport, is a communications path between two switching systems. Switching systems typically include equipment in a telephone company central office and a Private Branch Exchange (PBX). Central Office trunks connect a PBX to the switching system at the central office. Tie trunks connect two PBXs together.</p> <p><b>Eligibility:</b> Lease costs to provide trunks on a common carrier basis are eligible for funding.</p>	
Video Services (Telecommunications)	<p><b>Description:</b> Video services involve to the transmission of visual images.</p> <p><b>Eligibility:</b> See the entry for Digital Transmission Services.</p> <p><b>Special Eligibility Conditions:</b> <a href="#">Digital Transmission Services</a></p>	
Wide Area Network (WAN) Services (Telecommunications)	<p><b>Description:</b> A wide area network is a voice, data, and/or video network that provides connections from within an eligible</p>	

	<p>school or library to other locations beyond the school or library.</p> <p><b>Eligibility:</b>  The provision of a wide area network communication service, irrespective of technology, when provided on a common carrier basis, is an eligible Telecommunications Service.</p> <p>Technologies employed include but are not limited to ATM, DSL, DS-1, T-1, fractionalized T-1, Frame Relay, ISDN, Satellite, and Wireless. Excluded from this definition are services that provide broadcast content or cable television, because these are not considered telecommunications services.</p> <p>Please Note that the actual wires that carry information outside the school or library facility are considered to be the WAN components. Network components such as routers located at a school or library facility are generally considered to be Internal Connections, and therefore must meet the eligibility conditions as given in the Internal Connections section of this document. However, charges for telecommunications service over a WAN may include the cost of leasing on-premise WAN facilities if certain limited conditions are met. Please see the Special Eligibility Conditions below for further information.</p> <p><b>Special Eligibility Conditions:</b>  <a href="#">WAN Versus LAN Components</a>  <a href="#">Lease of Wide Area Network Infrastructure</a></p>	
<p>Wireless Wide Area Network (Telecommunications)</p>	<p><b>Description:</b>  A wireless wide area network is a network that meets the definition of a wide area network, and uses radio or light to transmit information, without the use of cables.</p> <p><b>Eligibility:</b>  The same eligibility conditions apply for the lease of wireless WANs as for other WANs, except that, in the case of Wireless Wide Area Networks, the radio frequency components such as transmitter and antenna (or satellite dish) are considered to achieve the</p>	

	<p>same functionality as cabling, and are therefore eligible. Please see the Special Eligibility Condition below for further information.</p> <p>For information about wireless Local Area Networks, see the entries in the Internal Connections section of this document.</p> <p><b>Special Eligibility Conditions:</b>  <a href="#">Wireless Components</a></p>	
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<b>Internet Access</b>
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**Eligibility Requirements for All Internet Access Services:**  
 Descriptions in this section are limited to the provision of “basic conduit access” to the Internet, and apply to services, not purchases of equipment used in Internet Access. Service Providers for Internet Access need not be eligible telecommunications providers.

Internet Access is an information service. The Communications Act of 1934 (as amended) defines an information service as “the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications, and includes electronic publishing, but does not include any use of any such capability for the management, control, or operation of a telecommunications system or the management of a telecommunications service.” [47 U.S.C. 153(20)].

Under FCC rules, funding is available for Internet access that “[transmits] information as part of a gateway to an information service, where that transmission does not involve the generation or alteration of the content of information but may include data transmission, address translation, protocol conversion, billing management, introductory information content, and navigational systems that enable users to access information services that do not affect the presentation of such information services to users.”

To qualify as Internet access, all services must reach the boundary of public Internet space.

<b>Product Type (Function)</b>	<b>Description</b>	<b>Eligibility</b>
Broadband Internet Access (Internet Access)	<p><b>Description:</b>            Broadband Internet Access provides high-speed transmission through T-1 lines, DSL, Frame Relay, cable modems, wireless facilities, power line,</p>	

	<p>or other technologies.</p> <p><b>Eligibility:</b> Broadband Internet Access may be eligible for funding as Internet access if that offering is the most cost-effective means of accessing the Internet.</p>	
Cable Modem Service (Internet Access)	<p><b>Description:</b> Cable modem service provides a high-speed data path over TV coaxial cable.</p> <p><b>Eligibility:</b> Applicants seeking cable modem service should apply for this service under Internet access, pending a final nonappealable judicial order determining the regulatory status of cable modem service. Brand X Internet Serv. v. Fed. Comm. Comm'n, No. 02-70518, slip op. (9th Cir., Oct. 6, 2003)(per curiam).</p>	
Caching Service (Internet Access)	<p><b>Description:</b> 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.</p> <p><b>Eligibility:</b> Caching service is not eligible. However, please see the Special Eligibility Conditions below for further information to determine if the feature meets the ancillary use limitations.</p> <p><b>Special Eligibility Conditions:</b> <a href="#">Ancillary Use</a> <a href="#">Internet Access with Ineligible Features</a></p>	Not Eligible
Digital Subscriber Line (DSL) Internet Access (Internet Access)	<p><b>Description:</b> Digital Subscriber Line (DSL)-based Internet access provides a high-speed data path over wireline telephone facilities.</p> <p><b>Eligibility:</b> This offering is eligible for funding as Internet access if it is the most cost effective way of accessing the Internet.</p>	
Domain Name Registration (Internet Access)	<p><b>Description:</b> Domain Name is the portion of a symbolic name that corresponds to the network number in the IP address. In the symbolic name abc@xyz.org, the</p>	

	<p>domain name is xyz.org. Domain Name Registration is the registering of the name and the charge associated with the registration process.</p> <p><b>Eligibility:</b> Domain Name Registration is eligible for discount.</p>	
<p>Electronic Library / On-line Public Access Catalog (Internet Access)</p>	<p><b>Description:</b> Electronic Libraries, On-line Public Access Catalog Systems, and similar services provide content to users.</p> <p><b>Eligibility:</b> Electronic Libraries or On-Line Public Access Catalog Systems that charge a fee for accessing library catalog systems, searching or using references as a part of Internet access are ineligible for discount. Any software associated with electronic library public access is also ineligible for discount.</p>	<p>Not Eligible</p>
<p>E-mail Account Fees (Internet Access)</p>	<p><b>Description:</b> E-Mail account fees are charges for individual user access to e-mail services.</p> <p><b>Eligibility:</b> E-Mail account fees are eligible.</p>	
<p>E-mail Service (Internet Access)</p>	<p><b>Description:</b> E-Mail Service provides for the transmission of simple text messages and other embedded data.</p> <p><b>Eligibility:</b> E-mail service is eligible for discount.</p>	
<p>Filtering Service (Internet Access)</p>	<p><b>Description:</b> Filtering is software or a combination software/firmware that protects users from dangerous or inappropriate content on the Internet by blocking Web, FTP and/or Gopher sites. It may be provided by an Internet provider as a monthly service.</p> <p><b>Eligibility:</b> Filtering is not eligible for discount, whether as a service or if purchased software. Please see the Special Eligibility Conditions below for further information.</p> <p><b>Special Eligibility Conditions:</b> <a href="#">Ancillary Use</a> <a href="#">Internet Access with Ineligible Features</a></p>	<p>Not Eligible</p>

<p>Firewall Service (Internet Access)</p>	<p><b>Description:</b> Firewall Service provides protection against unauthorized access.</p> <p><b>Eligibility:</b> A firewall service may be funded as a part of Internet access because a firewall is necessary to ensure continued operation of the network.</p>	
<p>GSP Rates (Internet Access)</p>	<p><b>Description:</b> GSP is short for Global Service Provider. The GSP provides connection between the ISP network and the global Internet network. In some cases, there can be separate charges for this component of Internet access.</p> <p><b>Eligibility:</b> A charge for the Global Service Provider is eligible if the total price of Internet access, including this component, is the most cost-effective means for obtaining access.</p>	
<p>Internet Access (Internet Access)</p>	<p><b>Description:</b> "Internet access" provides access to the world-wide information resource of the Internet, and includes features typically provided for adequate functionality and performance, when included as a standard component of a vendor's Internet access service. Such features could include Domain Name Service, to assist use of the standard Internet naming convention; Dynamic Host Configuration Protocol, to assist with providing devices with a unique address; and e-mail.</p> <p><b>Eligibility:</b> Internet access, regardless of technology platform, is eligible for discount. Such access may include transport of digital communication using any Internet-based protocols, including encapsulation of data, video, or voice so long as this is the most cost effective way to access the Internet. In addition, features that are not themselves eligible, such as caching and filtering, can be included if an integral component part of the service, and the inclusion of these features meets the limitations given in the Special Eligibility Condition for</p>	

	<p>"Ancillary Use." Please see the Special Eligibility Conditions below for further information.</p> <p><b>Special Eligibility Conditions:</b>  <a href="#">Ancillary Use</a>  <a href="#">Internet Access with Ineligible Features</a></p>	
Internet Content (Internet Access)	<p><b>Description:</b>  Some Internet content is only available at a separate, additional cost, above the cost of Internet access itself. Examples include extra-cost electronic libraries, on-line news services, administration application tools, performance monitoring (e.g., tracking of grades, attendance, homework assignments), classroom management tools, address books, and file storage.</p> <p><b>Eligibility:</b>  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 are not considered Internet content.</p> <p>In addition, applicants may accept an Internet access service with minimal content included if the feature meets the limitations given in the Special Eligibility Condition for "Ancillary Use." Please see the Special Eligibility Conditions below for further information.</p> <p><b>Special Eligibility Conditions:</b>  <a href="#">Ancillary Use</a>  <a href="#">Internet Access with Ineligible Features</a></p>	Not Eligible
Internet Training (Internet Access)	<p><b>Description:</b>  Internet training is training in the use of the Internet, and also includes training available over the Internet.</p> <p><b>Eligibility:</b>  Extra-cost Internet training is ineligible.</p>	Not Eligible
Internet2 (Internet Access)	<p><b>Description:</b>  Internet2 is a consortium of universities, industry, and government for development and deployment of advanced network applications and technologies.</p> <p><b>Eligibility:</b>  Membership dues or any fees for</p>	Not Eligible

	<p>access to content, including content available through Internet2, are not eligible for discount. However, a link that connects an eligible entity to Internet2 can be eligible as a telecommunications service. See the Internet2 entry in the Telecommunications Services section for additional information.</p>	
<p>Specialized Services (Internet Access)</p>	<p><b>Description:</b> "Specialized Services" refers to extra-cost services that go beyond basic conduit access to the Internet.</p> <p><b>Eligibility:</b> Extra-cost services that go beyond basic conduit access to the Internet, and are not otherwise indicated as eligible in this Eligible Services List, are not eligible for discount.</p>	<p>Not Eligible</p>
<p>Web Casting (Internet Access)</p>	<p><b>Description:</b> Web Casting is a service provided over the Internet that delivers news to your E-Mail address. A user accesses a Web Casting site and chooses what news content he/she wants to be informed about. Going forward, every time the user logs on, information content will be delivered to the user's mailbox by the Web Casting supplier.</p> <p><b>Eligibility:</b> Charges for a web casting service are not eligible for discount under the E-Rate program.</p>	<p>Not Eligible</p>
<p>Web Hosting (Internet Access)</p>	<p><b>Description:</b> Web Hosting is an Internet service provided by an Internet Service Provider. The ISP will host a school or library's website (e.g., www.schoolname.org) as part of the ISP bundled service offering, or as an optional service.</p> <p><b>Eligibility:</b> Web Hosting services that provide a means for a school or library to display content on the Internet is eligible for discount. However, eligibility is limited to the hosting service only, and not the creation or modification of content, which is not eligible.</p>	
<p>Web Site Creation</p>	<p><b>Description:</b></p>	<p>Not</p>

<p>Fee (Internet Access)</p>	<p>A web site creation fee is a separate charge for creating a website or setting up a web address. <b>Eligibility:</b> A web site creation fee is not eligible.</p>	<p>Eligible</p>
<p>Wide Area Network (WAN) (Internet Access)</p>	<p><b>Description:</b> A wide area network is a voice, data, and/or video network that provides connections from within an eligible school or library to other locations beyond the school or library. <b>Eligibility:</b> An integrated information service that provides Internet Access through a Wide Area Network may be eligible for funding as Internet access if that offering is the most cost effective means of accessing the Internet. Charges for Internet access may include the cost of leasing on-premise WAN facilities if certain limited conditions are met. Please see the Special Eligibility Conditions below for further information. <b>Special Eligibility Conditions:</b> <a href="#">WAN Versus LAN Components</a> <a href="#">Lease of Wide Area Network Infrastructure</a></p>	
<p>Wireless Internet Access (Internet Access)</p>	<p><b>Description:</b> Wireless Internet access provides connectivity to the Internet via wireless technology. <b>Eligibility:</b> A wireless service that provides Internet Access or Internet-based e-mail to eligible locations is eligible under the same provisions as wired access to the Internet, if the wireless service is the most cost effective means of accessing the Internet or obtaining Internet-based e-mail. Please see the Special Eligibility Condition below for further information. <b>Special Eligibility Conditions:</b> <a href="#">Wireless Components</a></p>	

## 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. For further information, see the Special Eligibility Condition for "Eligible Users and Locations" and for "WAN Versus LAN Components."

Some products may contain both eligible and ineligible features. In general, funding requests that provide only a single price for both eligible and ineligible features are fully ineligible. However, cost allocation may be used to provide separated pricing for the eligible and ineligible components. However, in limited cases, if such functionality is an integral component part, is not separately priced, and constitutes only an ancillary feature, the full cost of the component can be eligible. For further information in determining whether cost allocation is required, or whether a feature can be considered ancillary, see the Special Eligibility Conditions for "Cost Allocation" and for "Ancillary Use."

A functional category is provided in parentheses for each Internal Connections entry. A description for these additional categorizations is provided in the Special Eligibility Condition for "Functional Categories for Internal Connections."

Product Type (Function)	Description	Eligibility
Access Point (Data distribution)	<p><b>Description:</b> 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.</p> <p><b>Eligibility:</b> An access point provides for wireless networks what cabling provides for wired networks. Therefore, access points are "an essential element in the</p>	

	transmission of information within the school or library." Note, however, that eligibility is based on Internal Connections, i.e., use in a LAN (not a WAN) environment.	
Antenna (Interfaces, gateways, antennas)	<p><b>Description:</b> An antenna is a device for transmitting and/or receiving radio frequency signals.</p> <p><b>Eligibility:</b> Antennas provided as part of Wireless Local Area Networks (LANs) are eligible for discount if they are separately priced on a contract or are sold separately. Antennas embedded in ineligible equipment, such as computer workstations, and not separately priced on a contract, are not eligible. Antennas used for the receipt of over-the-air radio and television broadcast signals, or radio signals from cable television operators, are not eligible. Antennas used for Wireless Wide Area Networks (WANs) are not eligible as Internal Connections, but may be eligible when leased as a part of Telecommunications Services or Internet Access. For further information, see the entries for "Wide Area Network (WAN) Services" and "Wireless Wide Area Network" in the Telecommunications Services section, and the entry for "Wireless Internet Access" in the Internet Access section.</p>	
Application software (Software)	<p><b>Description:</b> Application software applies to software accessed directly by end-users, such as word processors, spreadsheets, and graphics programs.</p> <p><b>Eligibility:</b> Application software is not eligible.</p>	Not Eligible
Asbestos removal (None)	<p><b>Description:</b> Some older buildings were constructed using products that contain asbestos. Asbestos has been determined to be harmful to health, so construction in such buildings, which can make asbestos fibers air-borne, is often a difficult and costly process.</p> <p><b>Eligibility:</b></p>	Not Eligible

	The cost incurred in the removal of asbestos is not eligible for discount.	
Automatic Call Distribution System (ACD) (Telephony Components)	<p><b>Description:</b> An Automatic Call Distribution 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.</p> <p><b>Eligibility:</b> An Automatic Call Distribution System is not eligible.</p>	Not Eligible
Automatic Route Selection (ARS) (Telephony Components)	<p><b>Description:</b> 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, PBX and Centrex stations are routed to the most cost efficient service, or facilities, to make outgoing telephone calls.</p> <p><b>Eligibility:</b> The cost of the equipment required to provide ARS is eligible for discount.</p>	
Bridge (Interfaces, gateways, antennas)	<p><b>Description:</b> 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.</p> <p><b>Eligibility:</b> A bridge that interconnects network segments is eligible if used for an eligible purpose. The use of bridges or other devices for caching, proxy servers, or other ineligible functions is not eligible.</p>	
Broadcast / cable equipment (Video Components)	<p><b>Description:</b> Broadcast / cable equipment applies to equipment used in the transmission or receipt of broadcast TV, broadcast radio, or cable television service. This</p>	Not Eligible

	<p>includes head-end equipment that is located at the originating point for signals in a cable TV system.</p> <p><b>Eligibility:</b> Broadcast and cable are separate services from telecommunication and Internet access, and therefore equipment used in the transmission or receipt of these services is not eligible.</p>	
Cable Modem (Interfaces, gateways, antennas)	<p><b>Description:</b> A cable modem is a modem designed for use on a TV coaxial cable circuit, and provides a high-speed data path.</p> <p><b>Eligibility:</b> If used to provide Internet Access, cable modems are eligible. If used for cable TV service, they are not eligible. A cable modem may be leased as part of an Internet Access Service.</p>	
Cabling (Cabling/connectors)	<p><b>Description:</b> Cabling provides electrical (or, in the case of fiber optics, lightwave) connectivity between points.</p> <p><b>Eligibility:</b> Cabling and related components that are eligible for discount include, but are not limited to: cable (copper/fiber/coax/twisted pair), bays, jacks, blocks, panels, and terminals necessary to transport information all the way to individual classrooms. Wiring that provides electrical service is not eligible.</p>	
Caching Components (Computers)	<p><b>Description:</b> Caching is a method that stores recently accessed information, so that it can be displayed more quickly if required again.</p> <p><b>Eligibility:</b> Devices such as caching servers that store information accessed from the Internet may improve the delivery of information, but are not essential for transporting this information to the classroom or library. Such devices, if priced separately, are not eligible. Please see the Special Eligibility Condition below for further information.</p> <p><b>Special Eligibility Conditions:</b> <a href="#">Ancillary Use</a></p>	Not Eligible

<p>Call Accounting System (Telephony Components)</p>	<p><b>Description:</b> A Call Accounting System records information about telephone calls. It can provide comprehensive call costing by associating call records with users, phone extensions, or profiles.</p> <p><b>Eligibility:</b> Call accounting systems are not necessary to transport Telecommunications or Internet access to the classroom or publicly accessible rooms of a library, and are not eligible for discount.</p>	<p>Not Eligible</p>
<p>Call Sequencer (Telephony Components)</p>	<p><b>Description:</b> An Automatic Call Sequencer is a device or adjunct piece of equipment, used with a PBX or Key system. The call sequencer distributes incoming telephone calls among a select number of stations or telephones. It may also be used to answer incoming telephone calls and provide prerecorded announcements to the caller. Some call sequencers are also designed to generate statistical reports on number of calls and how those calls were handled.</p> <p><b>Eligibility:</b> Call sequencers are not necessary to transport Telecommunications or Internet access to the classroom or publicly accessible rooms of a library, and are not eligible for discount.</p>	<p>Not Eligible</p>
<p>Camera (End-user)</p>	<p><b>Description:</b> A camera is a device for taking visual pictures, either still or moving.</p> <p><b>Eligibility:</b> End user equipment is not eligible. Equipment used in the creation or display of content is not eligible.</p>	<p>Not Eligible</p>
<p>Cartridge Magnetic Tape (Storage Devices)</p>	<p><b>Description:</b> Cartridge Magnetic Tape provides replaceable storage capacity, and is used in tape backup devices.</p> <p><b>Eligibility:</b> Cartridge Magnetic Tape is an expendable item and is not eligible for discounts.</p>	<p>Not Eligible</p>
<p>CD/ DVD Player (End-user)</p>	<p><b>Description:</b> A Compact Disc or Digital Video Disc</p>	<p>Not Eligible</p>

	<p>(CD/DVD) Player is a device that plays and reproduces the music, voice and/or video from a Digital Video Disc.</p> <p><b>Eligibility:</b> A Compact Disc or Digital Video Disc (CD/DVD) Player is not eligible for discount. However, a CD/DVD drive may be provided as an integral component of an eligible product such as an eligible file server, if it is part of the standard product configuration and provided at no additional cost. Please see the Special Eligibility Condition below for further information.</p> <p><b>Special Eligibility Conditions:</b> <a href="#">Ancillary Use</a></p>	
<p>Channel Service Unit / Data Service Unit (CSU/DSU) (Interfaces, gateways, antennas)</p>	<p><b>Description:</b> A CSU/DSU is a device that terminates a digital channel at a customer premises. It performs certain line coding, line conditioning, and line equalization functions, and it responds to loop back commands sent from the telephone company central office. A CSU/DSU sits between the digital line entering the customer premises from the central office and devices such as channel banks or data communications devices.</p> <p><b>Eligibility:</b> The purchase of a CSU/DSU is eligible as Internal Connections. Alternatively, a CSU/DSU may be leased as part of an eligible Telecommunications or Internet Access service.</p>	
<p>Circuit Card (Circuit cards/components)</p>	<p><b>Description:</b> A Circuit Card is a board with microprocessors, transistors, and other small electronic components. Such a board slides into the slot of a telephone system, personal computer, or other electronic equipment.</p> <p><b>Eligibility:</b> To be eligible, the circuit card must be a necessary part of eligible equipment, e.g., part of an eligible PBX, router, or file server.</p>	
<p>Client Access License (Software)</p>	<p><b>Description:</b> A Client Access License is a software licensing approach used by some</p>	

	<p>vendors, and provides authorization to access a software product.</p> <p><b>Eligibility:</b> Client Access Licenses that provide access to eligible software are in turn eligible. For example, Client Access Licenses for an eligible network operating system are eligible. Client Access Licenses for word processing or spreadsheet software are not eligible.</p>	
CODEC / Video Encoder (Video Components)	<p><b>Description:</b> 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.</p> <p><b>Eligibility:</b> A CODEC or video encoder is eligible for discount.</p>	
Conduit, raceway, power poles (Cabling/connectors)	<p><b>Description:</b> Conduit, raceway, and power poles are metal or plastic pipe used to protect cable.</p> <p><b>Eligibility:</b> Conduit, raceway, and power poles are eligible if used for housing eligible internal connections cabling. Conduit, raceway, and power poles used for electrical service wiring are not eligible. If conduit has a mixed use, such as for both electrical wiring and network cabling, cost of the ineligible portion must be excluded. For further information, please see the Special Eligibility Condition for Cost Allocation.</p> <p><b>Special Eligibility Conditions:</b> <a href="#">Cost Allocation</a></p>	
Connector (Cabling/connectors)	<p><b>Description:</b> A cable connector is a device that connects wires or fibers.</p> <p><b>Eligibility:</b> Cable connectors for eligible cabling or equipment are eligible.</p>	
Consumables (None)	<p><b>Description:</b> Consumables consist of miscellaneous components that are depleted with use, such as tape, splicing materials, labels, and wire wrap.</p>	

	<p><b>Eligibility:</b> Consumables are eligible if included as part of the original installation of eligible components. Consumable products are ineligible when they are not included as part of an original installation. Consumable kits which contain installation tools are ineligible.</p>	
Coupler (Cabling/connectors)	<p><b>Description:</b> A coupler is a passive device that accepts one input broadband signal and replicates it onto two or more outputs.</p> <p><b>Eligibility:</b> A coupler used in the installation of eligible coaxial cable is eligible for discount. A coupler used for the installation of cable television service, or other ineligible use, is not eligible for discount.</p>	
Disaster recovery (Data protection)	<p><b>Description:</b> 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 network.</p> <p><b>Eligibility:</b> Disaster Recovery is not eligible.</p>	Not Eligible
Documentation (Technical Services)	<p><b>Description:</b> 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.</p> <p><b>Eligibility:</b> Basic documentation is eligible for discount if provided as part of the purchase or installation of eligible equipment or eligible services.</p>	
E911 Reader Board (Telephony Components)	<p><b>Description:</b> The E911 Reader Board is adjunct hardware for a PBX and used to access E911 Emergency service.</p> <p><b>Eligibility:</b> An E911 Reader Board is eligible.</p>	
Electrical System Upgrades (None)	<p><b>Description:</b> "Electrical system upgrades" refers to products and services that provide,</p>	Not Eligible

	<p>upgrade, or enhance the provision of electrical power.</p> <p><b>Eligibility:</b> The addition of electrical circuits and outlets to accommodate computer hardware is not eligible. However, a power adapter that converts wall power to a different voltage required for operation of an eligible component is eligible.</p>	
E-mail Software (Software)	<p><b>Description:</b> E-mail software provides functionality for sending and receiving e-mail messages.</p> <p><b>Eligibility:</b> A server-based, shared software product that provides e-mail service is eligible. Such e-mail software may include basic calendar or scheduling functionality on an ancillary basis, but substantial additional functionality, including database, workflow, or groupware features, would make the software product ineligible, unless the ineligible portions are cost allocated. Please see the Special Eligibility Conditions below for further information.</p> <p><b>Special Eligibility Conditions:</b> <a href="#">Software</a> <a href="#">Cost Allocation</a></p>	
Environmental Monitoring Components (Data protection)	<p><b>Description:</b> 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 example, and environmental monitoring card is sometimes available as an optional feature of an uninterruptible power supply, and is used to monitor the environmental conditions of a rack, computer room, or data center.</p> <p><b>Eligibility:</b> Environmental monitoring components are used to monitor or provide climate control and are not required to deliver information to individual classrooms or public areas of a library. Such components are not eligible for</p>	Not Eligible

	discount.	
Faceplate (Cabling/connectors)	<p><b>Description:</b> A faceplate is a cover that fits over a jack, outlet, or dial.</p> <p><b>Eligibility:</b> Faceplates for telephones and end user equipment are not eligible. Faceplates for electrical outlets are not eligible. Faceplates for a communications jack or data outlet are eligible.</p>	
Fax Machine (End-user)	<p><b>Description:</b> Short for facsimile, a fax machine is a device in which the image of a document is electronically transferred over the telephone network and printed out elsewhere.</p> <p><b>Eligibility:</b> Fax machines are not eligible for discount.</p>	Not Eligible
File server (Computers)	<p><b>Description:</b> A file server is a shared computer on a local area network.</p> <p><b>Eligibility:</b> Servers are conditionally eligible for discount. File servers must serve as a conduit for information rather than as a source for content to be eligible. File servers used principally to supplement storage requirements of personal computers on a network are not eligible. A network operating system associated with an eligible file server is likewise eligible for discount, including functionality provided with the core network operating system at no cost. Please see the Special Eligibility Conditions below for further information. In addition, see the separate entries for Web Server and Remote Access Server for eligibility information about these server types.</p> <p><b>Special Eligibility Conditions:</b> <a href="#">Network File Servers</a> <a href="#">Cost Allocation for File Servers</a></p>	
Firewall (Data protection)	<p><b>Description:</b> A firewall is a hardware and software combination that sits at the boundary between an organization's network and the outside world, and protects the network against unauthorized access or</p>	

	<p>intrusions.</p> <p><b>Eligibility:</b> A firewall is necessary to ensure operation of the network, and is eligible for discount.</p>	
<p>FRAD (Interfaces, gateways, antennas)</p>	<p><b>Description:</b> Short for Frame Relay Assembler/Disassembler, the FRAD is a communications device that breaks a data stream into frames for transmission over a Frame Relay network and recreates a data stream from incoming frames. A Frame Relay router serves the same purpose but provides more intelligence in avoiding congestion.</p> <p><b>Eligibility:</b> FRADs are eligible for discount.</p>	
<p>Gateway (Interfaces, gateways, antennas)</p>	<p><b>Description:</b> A gateway is a network device that acts as an entrance to another network, and often is used to connect two otherwise incompatible networks.</p> <p><b>Eligibility:</b> A gateway that interconnects network segments is eligible if used for an eligible purpose. The use of gateways or other devices for caching, proxy servers, or other ineligible function is not eligible.</p>	
<p>Hard disk drive (Storage Devices)</p>	<p><b>Description:</b> A hard disk drive is a storage device that consists of magnetic platters that spin like a record player, and magnetic pickup devices, called heads, that are like the needle of the record player. All this is sealed in a vacuum in order to maintain tight tolerances and enhance service life.</p> <p><b>Eligibility:</b> Hard disk drives, including arrays of multiple drives, are eligible for discount if used with an eligible component such as an eligible server, for an eligible use, e.g., if they are an essential element in the transmission of information within the school or library. Hard drives and other storage devices are not eligible if used principally to supplement storage requirements of</p>	

	<p>personal computers on a network. Please see the Special Eligibility Condition below for further information.</p> <p><b>Special Eligibility Conditions:</b>  <a href="#">Storage</a></p>	
Head End Equipment (Interfaces, gateways, antennas)	<p><b>Description:</b>  Head End Equipment is located at the originating point for signals in cable TV systems.</p> <p><b>Eligibility:</b>  Head End Equipment is not eligible for discount.</p>	Not Eligible
Homework Hotline Equipment (Telephony Components)	<p><b>Description:</b>  Homework Hotline equipment provides an automated response or call routing system that provides information to callers about school assignments.</p> <p><b>Eligibility:</b>  Equipment used to provide a Homework Hotline, including text to voice translation modules, recording devices, automatic dialers, automatic call directors and other components are not eligible for discount. However, some aspects of a Homework Hotline Service may be eligible as a Telecommunications Service. See the entry for Homework Hotline in that section of this document.</p>	Not Eligible
Hub (Data distribution)	<p><b>Description:</b>  Hubs are central connection points for many types of local area networks, interconnecting cabling from many individual devices, such as computer workstations, printers, servers, and other hubs.</p> <p><b>Eligibility:</b>  Hubs are eligible for discount.</p>	
Intercom (Intercom and voice paging)	<p><b>Description:</b>  An intercom is an internal communication system, originally consisting of multiple speaker/microphone devices connected into an amplifier system. Now most intercoms are a part of telephone systems, although separate intercom systems continue to be used in many schools.</p> <p><b>Eligibility:</b>  A stand-alone intercom system is not</p>	Not Eligible

	<p>eligible for discount because it does not facilitate the transport of an eligible telecommunications or Internet access service. However, an intercom system that is an integral part of a PBX, Centrex, or key system can be included as an ancillary component of the PBX, Centrex, or key system. Please see the Special Eligibility Condition below for further information.</p> <p><b>Special Eligibility Conditions:</b>  <a href="#">Ancillary Use</a></p>	
<p>Interface/Edge Device (Interfaces, gateways, antennas)</p>	<p><b>Description:</b>  An Interface or Edge Device is a physical device that can pass packets between a legacy type of network and an ATM network. The device may be a router or Ethernet-to-ATM switch that directly connects to an ATM network.</p> <p><b>Eligibility:</b>  Interfaces or Edge Devices are eligible for discount.</p>	
<p>Key System (KSU) (Telephony Components)</p>	<p><b>Description:</b>  A Key System, also known as Com Key System or a KSU, is a type of phone system that permits more than one telephone line, PBX extension, private line or intercom line to appear on a single telephone.</p> <p><b>Eligibility:</b>  The common control unit of a Key System is eligible for discount.</p>	
<p>Laptop / notebook computer (Computers)</p>	<p><b>Description:</b>  A laptop or notebook computer is a light weight portable computer designed for mobility.</p> <p><b>Eligibility:</b>  Laptop computers are eligible for discount only if they are used as an eligible server. However, in most cases laptop computers will not meet the definition of eligible Internal Connections and will be used as workstations which are not eligible for discount.</p>	
<p>Lightning Arrestor (Data protection)</p>	<p><b>Description:</b>  Lightning Arrestor is a device that protects computer equipment from lightning and static .</p> <p><b>Eligibility:</b></p>	<p>Not Eligible</p>

	A lightning arrestor is not eligible for discounts.	
Local Area Network (Data distribution)	<p><b>Description:</b> A Local Area Network (LAN) is a short distance data communications network used to link together computers and peripheral devices under some form of standard control. The LAN is most often connected by cabling or wireless links within the same building. A Local Area Network consists of several components, including cabling, file servers, computer workstations, network interface cards, printers, and data distribution equipment such as network switches, hubs, and routers.</p> <p><b>Eligibility:</b> The components of a Local Area Network are evaluated individually to determine eligibility. For example, network cabling is eligible, but eligibility of a network file server is based on the use of the server. See individual entries for cabling, file servers, computer workstations, network interface cards, printers, network switches, hubs, and routers for additional information.</p> <p>There is a rebuttable presumption that a network that crosses a public right-of-way is not an eligible Local Area Network. Please see the Special Eligibility Condition below for further information.</p> <p><b>Special Eligibility Conditions:</b> <a href="#">WAN Versus LAN Components</a></p>	
Maintenance and Technical Support (Technical Services)	<p><b>Description:</b> Basic maintenance services are “necessary” if, 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. Basic maintenance services do not include services that maintain equipment that is not supported or that enhance the utility of equipment beyond the transport of information, or diagnostic services in excess of those necessary to maintain the equipment’s</p>	

	<p>ability to transport information.</p> <p><b>Eligibility:</b> The following products and services are generally eligible: repair and upkeep of eligible hardware, wire and cable maintenance, basic technical support and configuration changes. The following products and services are ineligible: on-site technical support, 24-hour network monitoring, network management, help desks and technical support contracts that are more than basic maintenance.</p>	
<p>Mast (Interfaces, gateways, antennas)</p>	<p><b>Description:</b> A mast is a structure, or pole, on which an antenna is placed. Typically, it is a tall, vertical pole.</p> <p><b>Eligibility:</b> Masts are eligible for discount as Internal Connections if necessary to support a Local Area Network.</p>	
<p>Media converter (Cabling/connectors)</p>	<p><b>Description:</b> A media converter is a module that converts one type of media to another type of media for network compatibility. The actual media can vary, such a fiber, coax, or twisted pair.</p> <p><b>Eligibility:</b> Media converters are eligible when used for eligible products or services.</p>	
<p>Memory module / Random Access Memory (RAM) (Circuit cards/components)</p>	<p><b>Description:</b> A memory module is the electronic holding place for instructions and data that a computer's microprocessor can reach quickly. The module usually holds multiple Random Access Memory (RAM) chips, in a standard configuration. Common types are SIMM, DIMM, RDRAM, SDRAM.</p> <p><b>Eligibility:</b> A memory module is eligible if installed as a component of an eligible product.</p>	
<p>Monitor (Circuit cards/components)</p>	<p><b>Description:</b> A monitor is the video display unit (television screen) that is used to display information from a computer.</p> <p><b>Eligibility:</b> Monitors used for end user workstations or other ineligible</p>	

	equipment are not eligible. However, one monitor per eligible file server is eligible for discount.	
Multimedia kit (Software)	<p><b>Description:</b> A multimedia kit is a package of hardware and software that adds multimedia capabilities to a computer. Typically a multimedia kit includes a CD ROM or DVD player, a sound card, speakers, and a bundle of CD ROMs.</p> <p><b>Eligibility:</b> Multimedia kits include content and/or are installed as end user equipment, and therefore are not eligible for discount.</p>	Not Eligible
Multiple-feature Equipment (None)	<p><b>Description:</b> Multiple-feature equipment includes equipment that contains both eligible and ineligible components, such as both a video codec (eligible) and a camera (not eligible).</p> <p><b>Eligibility:</b> 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. In addition, in certain limited cases, an eligible product or service can include ineligible components on an ancillary basis. Please see the Special Eligibility Conditions below for further information.</p> <p><b>Special Eligibility Conditions:</b> <a href="#">Cost Allocation</a> <a href="#">Ancillary Use</a></p>	
Multiplexer (Data distribution)	<p><b>Description:</b> A multiplexer is electronic equipment that allows two or more signals to pass over one communications, or bearer circuit. The "circuit" may be a telephone line, dedicated line, or radio signal. It provides an economic means for the service provider and customer to transport multiple circuits by combining, as an example, up to 24 voice grade circuits on a single bearer</p>	

	<p>circuit.</p> <p><b>Eligibility:</b> If provided as part of internal connections for a local area network, a multiplexer is eligible.</p>	
<p>Network Interface Card (NIC) (Circuit cards/components)</p>	<p><b>Description:</b> A network interface card (NIC) is an electronic device that connects a workstation or server to a network. A NIC works with the network software and computer operating system to transmit and receive messages on the network.</p> <p><b>Eligibility:</b> NICs are eligible for discount if they are separately priced on a contract or are sold separately. NICs embedded in ineligible equipment, such as computer workstations, and not separately priced on a contract, are not eligible.</p>	
<p>Network Interface Device (Interfaces, gateways, antennas)</p>	<p><b>Description:</b> The Network Interface Device, or NID, is a device installed between a telephone network and the inside wire of a customer premises. The NID is generally provided by the telephone company and is the transition, or demarcation point between the company's network and the customer's inside wiring.</p> <p><b>Eligibility:</b> A NID is the beginning of the Internal Connections on the customer's premises. Installed with Telecommunications Services, there is normally no charge for the NID. However, if a cost is associated with the installation of the NID or the NID itself, it is eligible for discount as Internal Connections.</p> <p>The NID also can be provided as a part of Telecommunications Services if it is installed coincident with a Telecommunications Service.</p>	
<p>Network Management (Technical Services)</p>	<p><b>Description:</b> Network Management is a system of equipment or software used in monitoring, controlling, and managing a communications network.</p> <p><b>Eligibility:</b></p>	<p>Not Eligible</p>

	Network management software, services, and equipment are not eligible for discount.	
Network Switch (Data distribution)	<p><b>Description:</b> A switch is a mechanical or electronic device that completes or breaks an electrical path, or selects the paths for communication. More specifically, network switches provide capability similar to that described in the entry for Hub in this section, but additionally provide a dedicated bandwidth at each network port, rather than a shared bandwidth among all ports.</p> <p><b>Eligibility:</b> Network switches are eligible for discount.</p>	
Operating System Software (Software)	<p><b>Description:</b> An Operating System is software that enables the basic operations of a computer system or other electronic device. For example, it can configure the communication paths between memory and storage. Other software depends on the functions of the operating system in order to operate correctly.</p> <p><b>Eligibility:</b> Software required to obtain operation of eligible equipment, such as network operating system software, is eligible if required as a core component of an eligible Internal Connection. Software available separately that provides optional operational features is not eligible for discount. Examples of ineligible operational software include separate products that provide caching, filtering, network administration, network management, and web site construction. Such functionality may be included as an ancillary component of otherwise eligible operational software, but only if the conditions for ancillary use apply. Please see the Special Eligibility Condition below for further information.</p> <p><b>Special Eligibility Conditions:</b> <a href="#">Ancillary Use</a></p>	
Pager	<b>Description:</b>	Not

(End-user)	<p>A Pager (also known as a Beeper) is the receiving end of a paging service and is a small device worn on the belt, or carried in a handbag. Pagers provide text or voice messages, or both.</p> <p><b>Eligibility:</b> The purchase, lease, or maintenance of pagers is not eligible for discount. However, a Paging Service may be eligible as a Telecommunications Service. See Paging Service in the Telecommunications Services section of this document.</p>	Eligible
Personal Computer (Computers)	<p><b>Description:</b> Personal computers, or workstations, are computers designated, or designed for one person's use. They are distinguished from computers used in the routing of information to individual classrooms.</p> <p><b>Eligibility:</b> Personal computers are not eligible for discount.</p>	Not Eligible
Personal Digital Assistant (PDA) (Computers)	<p><b>Description:</b> Personal Digital Assistant (PDA) is a handheld device that combines computing, telephone/fax, and networking features.</p> <p><b>Eligibility:</b> PDAs are end-user equipment that do not meet the definition of eligible Internal Connections. They are therefore ineligible for discount.</p>	Not Eligible
Phone Modem (Circuit cards/components)	<p><b>Description:</b> Phone modems are devices that convert data signals into suitable form for transmission and receipt over a telephone line.</p> <p><b>Eligibility:</b> Phone modems are not eligible if provided in or with end-user equipment. Phone modems can be eligible if used with an eligible file server or other eligible device for providing dial-in network access. However, limitations apply in the eligible use of modems, as described in the entry for Remote Access Components.</p>	
Printer	<b>Description:</b>	Not

(End-user)	<p>A printer is a device that receives computer information and prints it on paper.</p> <p><b>Eligibility:</b> Printers are not eligible for discount.</p>	Eligible
Private Branch Exchange (PBX) (Telephony Components)	<p><b>Description:</b> A PBX is a telephone switching system located at a business or organization's site. The PBX provides internal station-to-station dialing and access to the public switched network.</p> <p><b>Eligibility:</b> A PBX and the core PBX operating system are, in general, eligible for discount. Some products may have modules or features that are not eligible. These include Automatic Call Distribution, and programming modules or software. 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. If the ineligible components are not available separately, the full product may be eligible for discount, but only if the conditions for ancillary use apply. Please see the Special Eligibility Condition below for further information.</p> <p><b>Special Eligibility Conditions:</b> <a href="#">Ancillary Use</a></p>	
Processor terminator card (Circuit cards/components)	<p><b>Description:</b> A processor terminator card is a device installed in a multi-processor computer to signal the computer that only one processor is installed.</p> <p><b>Eligibility:</b> The processor terminator card is eligible if installed in an eligible server.</p>	
Proxy server (Computers)	<p><b>Description:</b> A proxy server is a device that sits between "trusted clients" (e.g., workstations inside an organization) and "untrusted clients" (e.g., the Internet) and provides security features and oftentimes address translation. To the untrusted clients, communication appears to be taking place with the proxy, even though the</p>	Not Eligible

	<p>communication is passed through, to and from the trusted clients.</p> <p><b>Eligibility:</b> A proxy server provides a level of security in the delivery of information, but is not necessary to transport such information. Proxy servers are therefore not eligible. However, a file server used principally for eligible purposes may be used as a proxy server on an ancillary basis, if the firewall functionality is provided by the core network operating system. In addition, a file server used for a combination of eligible and ineligible functions can be cost allocated. Please see the Special Eligibility Conditions below for further information.</p> <p><b>Special Eligibility Conditions:</b> <a href="#">Ancillary Use</a> <a href="#">Network File Servers</a> <a href="#">Cost Allocation for File Servers</a></p>	
Public Address (PA) System (Intercom and voice paging)	<p><b>Description:</b> A Public Address system allows the user to make announcements through the use of amplifiers and speakers.</p> <p><b>Eligibility:</b> A Public Address system, which is a stand-alone system and not integral as a bundled component of a PBX, Centrex or key system, is not eligible for discounts.</p>	Not Eligible
PVBX (Video Components)	<p><b>Description:</b> A PVBX or Private Video Branch Exchange is a video PBX. The PVBX integrates the functionality of a PBX by providing video integrated into the switching matrix of the PVBX. The PVBX acts as a video distribution system linking classrooms and administration as well as traditional PBX methodologies.</p> <p><b>Eligibility:</b> A PVBX follows the same eligibility requirements as a PBX—in general, it is eligible for discount. See the listing for PBX for detailed eligibility information.</p>	
Racks and Cabinets (None)	<p><b>Description:</b> A rack is a metal supporting framework for mounting cables, equipment or</p>	

	<p>wires. A cabinet is an enclosure for equipment, terminating cables, connection devices and/or wires.</p> <p><b>Eligibility:</b> Racks and cabinets are eligible only to the extent that the components they contain are eligible.</p>	
<p>Remote Access Components (Computers)</p>	<p><b>Description:</b> Remote access components, such as a remote access router or communications server, provide one or more interfaces that allow dial-up or remote access to a network.</p> <p><b>Eligibility:</b> Components that are capable of providing remote access can be eligible if steps are taken to ensure that only eligible entities, from eligible locations, will have the capability to access them. Remote access cannot be available from homes or other non-school or non-library sites. Applicants are required to provide a signed and dated certification that this condition is met. The required certification is as follows: "The remote access equipment for which I seek discounts either will not be used to provide remote access in the funding year or, if it is to be used remotely, I will take steps to ensure that only entities eligible for support under the Schools and Libraries Support Mechanism have the capability to access it. In the latter case, for example, access will not be available from homes or other non-school or non-library sites."</p>	
<p>Router (Data distribution)</p>	<p><b>Description:</b> Routers are switching devices that can act as an interface between two networks, and connect different segments such as departments or floors in a building. Functionally, routers select the routing path for traffic, may provide features such as load balancing, and can provide trouble shooting diagnostic capabilities.</p> <p><b>Eligibility:</b> A router and the core router operating system are eligible for discount when used for an eligible purpose. Some</p>	

	<p>products may have modules or features that are not eligible, such as functionality for content filtering, management, proxy services, caching, Virtual Private Networks and security. 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. If the ineligible components are not available separately, the full product may be eligible for discount, but only if the conditions for ancillary use apply. Please see the Special Eligibility Conditions below for further information.</p> <p><b>Special Eligibility Conditions:</b>  <a href="#">Cost Allocation</a>  <a href="#">Ancillary Use</a></p>	
<p>Satellite Dish (Interfaces, gateways, antennas)</p>	<p><b>Description:</b>  A Satellite Dish is an antenna capable of receiving signals from, and in some cases transmitting signals to, a communications satellite.</p> <p><b>Eligibility:</b>  Satellite Dishes used for Wireless Wide Area Networks (WANs) are not eligible as Internal Connections. Satellite Dishes used for the receipt of over-the-air radio and television broadcast signals, or radio signals from cable television operators, are not eligible because these are not considered telecommunications services. Note, however, that satellite dishes may be provided as a part of an eligible leased service in other categories of service. See the entries for "Wide Area Network (WAN) Services" and "Wireless Wide Area Network" in the Telecommunications Services section, and the entry for "Wide Area Network" in the Internet Access section.</p>	<p>Not Eligible</p>
<p>Serial card (Circuit cards/components)</p>	<p><b>Description:</b>  A serial card is a printed circuit card installed in an expansion slot of a computer that provides one or more serial communication ports, often for the purpose of connecting one or more modems.</p>	

	<p><b>Eligibility:</b> Serial cards are eligible if the devices they support and the intended use of the cards are eligible. If used to provide remote access, see also the entry for Remote Access Components.</p>	
Spare Parts (None)	<p><b>Description:</b> Spare parts are components on hand to replace hardware that fails.</p> <p><b>Eligibility:</b> Spare parts are not eligible.</p>	Not Eligible
Speakers (Circuit cards/components)	<p><b>Description:</b> Speakers are the components that provide sound from a computer, phone, intercom, stereo system, or other device. This entry refers only to external speakers, and not speakers built into a computer or other component.</p> <p><b>Eligibility:</b> Speakers for end users are not eligible. However, speakers may be provided as an integral component of an eligible product such as an eligible file server, if they are part of the standard product configuration and provided at no additional cost. Please see the Special Eligibility Condition below for further information.</p> <p><b>Special Eligibility Conditions:</b> <a href="#">Ancillary Use</a></p>	Not Eligible
Station Message Detail Recording (SMDR) (Telephony Components)	<p><b>Description:</b> Station Message Detail Recording (SMDR) or Call Detail Recording (CDR) is a software/hardware PBX component that provides the ability to generate reports on call details. Those details include, but are not limited to, call duration, PBX station number, time and date, trunk route, dialed number and cost of call.</p> <p><b>Eligibility:</b> Station Message Detail Recording (SMDR) and Call Detail Recording (CDR) are not eligible for discount.</p>	Not Eligible
Storage Media (Storage Devices)	<p><b>Description:</b> Storage media include products such as cartridge magnetic tape and floppy disks, and provide replaceable storage.</p> <p><b>Eligibility:</b></p>	Not Eligible

	Storage media are considered to be consumable products that are not eligible.	
Storage Products (Storage Devices)	<p><b>Description:</b> Storage products provide electronic data storage on magnetic or other media. Devices include CD ROM drive (and CD tower), DVD drive, floppy disk drive, hard drive, and Zip drive.</p> <p><b>Eligibility:</b> Products that provide electronic data storage on magnetic or other media, for eligible file servers or other eligible products, are conditionally eligible, based on whether the software and/or data stored provides an eligible purpose, e.g. if it is necessary to transport information all the way to individual classrooms.</p> <p>In addition, storage products that provide a combination of eligible and ineligible functionality are fully ineligible, unless they are able to be cost-allocated. Consumable products such as floppy disks and recordable CD ROM media are not eligible. Please see the Special Eligibility Conditions below for further information.</p> <p><b>Special Eligibility Conditions:</b> <a href="#">Storage</a> <a href="#">Cost Allocation</a></p>	
Surge protector and power strip (Data protection)	<p><b>Description:</b> Power strips provide multiple electrical commercial AC power outlets and can serve as an electrical extension cord. They may also protect equipment against voltage spikes and electrical disturbances (surge protection).</p> <p><b>Eligibility:</b> Power strips are electrical devices ineligible for discount. However, a rack-mounted or cabinet-mounted power strip/surge protector may be included on an ancillary basis as a part of an eligible component such as an eligible equipment rack. Please see the Special Eligibility Condition below for further information.</p> <p><b>Special Eligibility Conditions:</b> <a href="#">Ancillary Use</a></p>	Not Eligible

<p>Switchboard and Attendant Console (Telephony Components)</p>	<p><b>Description:</b> The operation of a PBX or Centrex system requires the use of a switchboard or attendant console for the transfer of incoming calls to the appropriate extension when systems are not equipped with Direct Inward Dialing. The switchboard or attendant console may include Direct Station Selection (DSS), which provides an easy means for transferring calls.</p> <p><b>Eligibility:</b> One switchboard or attendant console, with or without Direct Station Selection, qualifies for discount with each eligible PBX or Centrex system.</p>	
<p>System Improvements and Upgrades (None)</p>	<p><b>Description:</b> A system improvement or upgrade provides enhanced functionality to an existing product or configuration of products.</p> <p><b>Eligibility:</b> Improvements and upgrades to eligible services are eligible for discounts. Memory upgrades, for example, to eligible file servers are eligible, but memory upgrades would not be eligible in end user workstations.</p>	
<p>Tape Backup (Data protection)</p>	<p><b>Description:</b> Tape Backup units provide copies of computer files on magnetic tape, for protection against a catastrophic failure. Tape backup technologies include QIC, DAT, 8mm, DLT, AIT, and ADR.</p> <p><b>Eligibility:</b> Tape backup units are eligible when used as part of an eligible server. They are not eligible when part of a PC, or workstation. 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. The cost of purchasing additional or separate tapes is not eligible.</p>	
<p>Telephone, Telephone Instruments (End-user)</p>	<p><b>Description:</b> Telephones, also known as telephone sets, telephone instruments, digital</p>	<p>Not Eligible</p>

	<p>voice terminals, and voice terminals are the end-user equipment used to transmit and receive communications.</p> <p><b>Eligibility:</b> Telephones and end-user telephone accessories are not eligible for discount.</p>	
Terminal Adapter (Interfaces, gateways, antennas)	<p><b>Description:</b> The Terminal Adapter (TA) is a device that connects a computer to an external digital communications line, such as an ISDN line.</p> <p><b>Eligibility:</b> Terminal adapters are eligible if used to connect to an eligible digital transmission service.</p>	
Test Equipment (None)	<p><b>Description:</b> Test Equipment is used to test hardware software, cable continuity, telecommunications links, etc.</p> <p><b>Eligibility:</b> Test equipment is not eligible.</p>	Not Eligible
Transceiver (Interfaces, gateways, antennas)	<p><b>Description:</b> A transceiver is a device that transmits and receives analog or digital signals. The term is used most frequently to describe the component in local area networks (LANs) that actually applies signals onto the network wire and detects signals passing through the wire. For many LANs, the transceiver is built into the network interface card (NIC), while others require an external transceiver.</p> <p><b>Eligibility:</b> A separate transceiver is eligible for discount.</p>	
TX-to-FX converter (Interfaces, gateways, antennas)	<p><b>Description:</b> A TX-to-FX converter is a device that converts a copper connection to a fiber optic connection.</p> <p><b>Eligibility:</b> A TX-to-FX converter is eligible for discount.</p>	
Uninterruptible Power Supply / Battery Backup (Data protection)	<p><b>Description:</b> An Uninterruptible Power Supply (UPS), also called a battery backup, is a device that provides backup electric energy to a piece of equipment in the</p>	

	<p>event of a power failure.</p> <p><b>Eligibility:</b>  A UPS is eligible if provided for use with an eligible component. In addition, a UPS Interface Expander (which allows a UPS to provide power management to multiple devices) and a Relay I/O Module (which establishes UPS protection for equipment not pre-designed for a UPS interface) are eligible if used for eligible equipment. A UPS system used as protection for both eligible and ineligible components must be cost allocated. Please see the Special Eligibility Condition below for further information.</p> <p>In addition, funding will not be provided for capacities that can provide continued backup power for substantial periods in excess of that necessary for basic power protection.</p> <p><b>Special Eligibility Conditions:</b>  <a href="#">Cost Allocation</a></p>	
<p>Video Equipment (Video Components)</p>	<p><b>Description:</b>  Video Equipment involves a range of capabilities and technologies that provide moving images on television screens or computer monitors.</p> <p><b>Eligibility:</b>  Video Equipment used to transport video information all the way to individual classrooms or public areas of a library is eligible for discount. Video Equipment used for storage or caching is not eligible. Video Equipment used by end users is not eligible. Please see the Special Eligibility Condition below for further information.</p> <p><b>Special Eligibility Conditions:</b>  <a href="#">Video Components</a></p>	
<p>Virtual Private Network (VPN) Components (Data distribution)</p>	<p><b>Description:</b>  A Virtual Private Network (VPN) uses encryption and/or tunneling services in order to provide highly secure communication over the public Internet or in some cases over point-to-point links.</p> <p><b>Eligibility:</b>  Software and/or hardware equipment used for enhanced security features over a Virtual Private Network are not</p>	<p>Not Eligible</p>

	eligible for discount as Internal Connections.	
Voice Compression Module (Telephony Components)	<p><b>Description:</b> A Voice Compression Module allows voice and fax traffic to share the same lines as data and LAN traffic.</p> <p><b>Eligibility:</b> A Voice Compression Module is an eligible component of Internal Connections when it is installed in an eligible component.</p>	
Voice Interface Card (Telephony Components)	<p><b>Description:</b> Voice interface cards (VIC) are usually components of a router or PBX system that interface with internal systems and the Public Switched Telephone Network. Some examples of VICs are FXO Cards, E&amp;M Cards, and FXS Cards.</p> <p><b>Eligibility:</b> Voice Interface Cards are eligible for discount.</p>	
Voice/Fax Network Module (Interfaces, gateways, antennas)	<p><b>Description:</b> A Voice/Fax module is an access product that enables the transmission of multiprotocol data--voice, fax and LAN--over frame relay, leased line, DDS or ISDN services.</p> <p><b>Eligibility:</b> Voice/Fax modules are eligible when used with eligible equipment.</p>	
Voice/video over IP (VoIP) components (Data distribution)	<p><b>Description:</b> Voice/video over IP (VoIP) components refers to equipment that utilizes the TCP/IP suite of protocols to provide voice and/or video communications.</p> <p><b>Eligibility:</b> Otherwise eligible Internal Connections components may include technology for providing real-time or near real-time voice or video over IP (VoIP).</p>	
Web Server (Computers)	<p><b>Description:</b> A Web server is a computer file server used to provide information to users of the Internet, and can also be used to provide web-based software applications and other web-based functions.</p> <p><b>Eligibility:</b> A web server used to provide content</p>	

	<p>to users of the Internet is eligible for discount. A Web server used for ineligible functions such as providing software applications, database functions, or storage of end user files is considered an Application Server, Database Server, or Archive Server, respectively, and therefore is not eligible. Please see the Special Eligibility Condition below for further information.</p> <p><b>Special Eligibility Conditions:</b>  <a href="#">Network File Servers</a></p>	
Wire and Cable Maintenance (Technical Services)	<p><b>Description:</b> Wire and Cable Maintenance Plan refers to the repair, replacement and maintenance of customer owned inside cabling.</p> <p><b>Eligibility:</b> The maintenance of eligible internal cabling is eligible for discount as a component of contracted maintenance support. See the entry for Maintenance and Technical Support for further information.</p>	
Wire manager (Cabling/connectors)	<p><b>Description:</b> Wire managers are wire restraints to house or arrange wiring and cabling. They can be aluminum or plastic and may be rack mountable.</p> <p><b>Eligibility:</b> Wire managers are eligible when used with eligible wiring and cabling.</p>	
Wireless Local Area Network (Data distribution)	<p><b>Description:</b> A Wireless Local Area Network provides the functionality of a local area network using wireless components rather than cabling.</p> <p><b>Eligibility:</b> A wireless Local Area Network has the same eligibility as other Local Area Networks. Hubs, access points, antenna and other components that provide a wireless Local Area Network capability are eligible for discount. See the entries for "Local Area Network," "Antenna," and "Network Interface Card" in this section for additional information.</p>	
Wireless Local Area	<p><b>Description:</b></p>	

<p>Network (Data distribution)</p>	<p>A wireless local area network achieves LAN functionality but uses wireless technology such as radio in place of cables.</p> <p><b>Eligibility:</b> A wireless Local Area Network has the same eligibility as other Local Area Networks. Hubs, access points, antenna and other components that provide a wireless Local Area Network capability are eligible for discount. See the entries for "Local Area Network," "Antenna," and "Network Interface Card" in this section for additional information.</p>	
<p>Wireless PBX Adjunct (Telephony Components)</p>	<p><b>Description:</b> A Wireless PBX Adjunct functions in conjunction with a Private Branch Exchange, to provide wireless capability to the station end.</p> <p><b>Eligibility:</b> A Wireless PBX Adjunct is eligible for discount.</p>	
<p>Workstation (Computers)</p>	<p><b>Description:</b> A computer workstation is a personal computer that may operate in a stand-alone environment, or may be connected to a host computer as part of a network.</p> <p><b>Eligibility:</b> Workstations, personal computers, or other end user components are not eligible for discount. If the keyboard, mouse, display, or other features of a computer workstation are used by end users, computer workstations are not eligible, even if the workstation can also function in the capacity of a file server.</p>	<p>Not Eligible</p>
<p><b>Miscellaneous</b></p>		
<p>The service category for entries in this section should reflect the same category as the product or service being installed or maintained-- Telecommunications Services, Internet Access, or Internal Connections.</p>		

Product Type (Function)	Description	Eligibility
Broadcast Services (Miscellaneous)	<p><b>Description:</b> Broadcast services provide access to the general public to video and/or audio information from over-the-air radio or television stations, including satellite broadcast stations.</p> <p><b>Eligibility:</b> Services that provide access to broadcast content, cable television content, or similar general-purpose point-to-multipoint information are not considered telecommunications services and are therefore not eligible for discount.</p>	Not Eligible
Change Fees (Miscellaneous)	<p><b>Description:</b> Change fees are charges imposed for the modification of an existing service.</p> <p><b>Eligibility:</b> Costs incurred in modifying an existing eligible service to another eligible service are eligible.</p>	
Configuration Charges (Miscellaneous)	<p><b>Description:</b> "Configuration" places a product or service into operation, or modifies the operation of an existing product or service.</p> <p><b>Eligibility:</b> Charges for the configuration of eligible hardware and software are eligible.</p>	
Construction Costs (Miscellaneous)	<p><b>Description:</b> Construction costs involve the creation, modification, or repair of physical facilities, such as the removal, creation, repair, or replacement of walls and doorways.</p> <p><b>Eligibility:</b> Construction costs generally are not eligible. However, minor construction incidental to component installation, that restores a facility to pre-installation conditions, is eligible. Asbestos removal is not eligible.</p>	
Contingency Fee (Miscellaneous)	<p><b>Description:</b> A contingency fee is an additional potential cost included in a price quotation, contract, or agreement to accommodate unplanned factors that</p>	

	<p>might arise once an installation is underway.</p> <p><b>Eligibility:</b> In cases in which the scope of the work make it difficult to determine the specific costs beforehand, a service provider may include a reasonable contingency fee, but such a contingency fee is eligible only if it is a regular business practice of the service provider.</p>	
Dark Fiber (Miscellaneous)	<p><b>Description:</b> Dark fiber refers to fiber optic cable for which the service provider has not provided modulating electronics, i.e., it is "dark." In some cases, this communication capacity will be leased to organizations that will add their own modulating electronics.</p> <p><b>Eligibility:</b> The FCC has not resolved whether unlit dark fiber is a telecommunications service. Pending resolution of this issue, it is not eligible for funding. Please see the Special Eligibility Condition below for further information.</p> <p><b>Special Eligibility Conditions:</b> <a href="#">Lease of Wide Area Network Infrastructure</a></p>	Not Eligible
Extended Warranty (Miscellaneous)	<p><b>Description:</b> Extended warranties are those that cover periods of time both within and outside the current funding year.</p> <p><b>Eligibility:</b> Eligibility is limited only to that portion of the warranty within the current funding year. Extended or multi-year warranties must be prorated so only the portion of the warranty applicable to the current funding year is funded. However, if a manufacturer's multi-year warranty is included in the price of the equipment for all customers without a separately identified cost, proration is not required.</p>	
Finance or Interest Charges (Miscellaneous)	<p><b>Description:</b> A finance charge, or interest, is a charge assessed for borrowing.</p> <p><b>Eligibility:</b> Finance or interest charges assessed</p>	Not Eligible

	for loans to fund the lease or purchase of products or services are not eligible.	
Freight Assurance Fees (Miscellaneous)	<p><b>Description:</b> Freight assurance fees are fees assessed to the purchaser for the guarantee of safe delivery to their premises of goods, i.e., they provide shipping insurance.</p> <p><b>Eligibility:</b> Freight assurance fees are eligible for discount if associated with eligible components.</p>	
Lease Fees (Miscellaneous)	<p><b>Description:</b> A lease fee is a charge for the use of goods that are not owned by the applicant, i.e., rent.</p> <p><b>Eligibility:</b> Lease fees charged for the use of eligible services and products are eligible. However, any finance charges, associated with leasing or otherwise, are not eligible.</p>	
Per Diem (Miscellaneous)	<p><b>Description:</b> Per diem is a dollar amount designated to a vendor for daily expenses such as lodging and food. It may or may not include travel time.</p> <p><b>Eligibility:</b> Per diem expenses are eligible for funding if a contract with a vendor for eligible services specifically stipulates or allows for per diem, and it is cost effective. It is not eligible if it is not part of a contract or bid.</p>	
Performance Bond (Miscellaneous)	<p><b>Description:</b> A Performance Bond, also known as a Bid Bond, is a legal obligation, generally obtained by the vendor or contractor from a third party, that guarantees the terms of the contract or agreement are met. In the event of default or failure to meet the terms, the bond would be used to complete the contracted work.</p> <p><b>Eligibility:</b> Performance Bonds are not eligible.</p>	Not Eligible
Programming (Miscellaneous)	<p><b>Description:</b> Programming refers to the creation of software.</p>	Not Eligible

	<p><b>Eligibility:</b> Charges for programming of eligible internal connections are eligible for discount to the extent that the charges are for the configuration of eligible operational software.</p>	
Shipping Charges (Miscellaneous)	<p><b>Description:</b> Shipping Charges are the charges associated with the delivery of products from their point of origin to the customer premises.</p> <p><b>Eligibility:</b> Shipping Charges are eligible for discount when they are for the delivery of eligible products or services.</p>	
Taxes, Surcharges, and Other Similar Charges (Miscellaneous)	<p><b>Description:</b> Taxes, surcharges, and other similar charges refer generally to additional fees that are a necessary component of the cost of a product or service.</p> <p><b>Eligibility:</b> Federal taxes, state taxes, and other similar, reasonable charges incurred in obtaining eligible Telecommunications Services, Internet access and internal connections are eligible.</p>	
Technical Services (Miscellaneous)	<p><b>Description:</b> Technical services provide service provider expertise for the implementation or maintenance of technology.</p> <p><b>Eligibility:</b> Technical services are eligible if they are tied directly to, and required for, installation, basic configuration, and initial operation of eligible products and services. Services associated with initial planning, such as a determination of the technology to be deployed, are not eligible. Please see the Special Eligibility Condition below for further information about eligibility of costs for Design &amp; Engineering, Installation, Maintenance &amp; Technical Support, Project Management, Training, Consulting Services, and Personnel Costs.</p> <p><b>Special Eligibility Conditions:</b> <a href="#">Technical Services</a></p>	
Termination Charges	<p><b>Description:</b></p>	Not

(Miscellaneous)	<p>Termination charges are fees assessed for the removal or discontinuation of a product or service.</p> <p><b>Eligibility:</b> Charges for termination liability or other charges not involved with obtaining or initiating eligible services are not eligible.</p>	Eligible
<p>Travel Time (Miscellaneous)</p>	<p><b>Description:</b> Travel time refers to the time required for service provider personnel to travel to and/or from locations necessary to provide eligible services.</p> <p><b>Eligibility:</b> The cost of travel to and from a work site is eligible for discount only if a contract with a vendor for eligible services stipulates, or allows, travel time, and it is cost effective. It is not eligible if it is not part of a contract or bid.</p>	
<p>Two-way Radio (Miscellaneous)</p>	<p><b>Description:</b> Two way radios are wireless end-user devices used to communicate, generally over short distances.</p> <p><b>Eligibility:</b> Two way radios are not used to provide Telecommunications Services, and do not meet the definition of an eligible Internal Connections.</p>	Not Eligible
<p>Video Services (Miscellaneous)</p>	<p><b>Description:</b> Video services involve to the transmission of visual images.</p> <p><b>Eligibility:</b> Services that provide video transmissions may be provided under the eligibility requirements for Telecommunications Service or Internet Access. Cable and broadcast television, however, are not eligible for discount.</p>	
<p>Voice Mail Service (Miscellaneous)</p>	<p><b>Description:</b> Voice Mail Service is an information service that allows users to receive voice messages left by telephone callers, and may have other features such as message forwarding.</p> <p><b>Eligibility:</b> Voice mail services provided for one or more telephone lines are eligible for</p>	

	<p>discount. Voice mail service need not be provided by an eligible telecommunications provider to be eligible.</p> <p>For administrative convenience, voice mail service may be requested in either the Telecommunications Services category of service (if the service provider is an eligible telecommunications provider) or the Internet Access category of service (for any service provider).</p> <p>In addition, voice mail equipment may be requested in the Internal Connections category of service. However, end-user products such as answering machines are not eligible for discount.</p>	
Voice over IP (VoIP) Service (Miscellaneous)	<p><b>Description:</b> Voice over IP (VoIP) is a technology used to transmit voice conversations over a data network using the Internet Protocol. Similar Internet protocols can be used to provide video services.</p> <p><b>Eligibility:</b> IP-enabled services are the subject of an open proceeding at the FCC to determine, among other things, whether certain types are telecommunications services. Pending FCC action with respect to specific services, such services are not eligible for funding.</p>	Not Eligible

<b>Special Eligibility Conditions</b>	
<b>Title:</b>	<b>Condition:</b>
<b>Ancillary Use</b>	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,

	<p>in certain limited cases, if any ineligible functionality is 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) The package represents the most cost-effective bid for the eligible product or service. (2) The consideration of cost-effectiveness must be made without considering ineligible features. (3) The package is a standard product offering that includes the ineligible features as an intrinsic part, with no separated pricing available. (4) The applicant is not specifically seeking one or more of the ineligible components. (5) Any added content must be minimal.</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 <a href="#">Cost Allocation Guidelines for Products and Services that Contain Eligible and Ineligible Components</a>, located in the Reference Area of the SLD Web site (<a href="http://www.sl.universalservice.org">www.sl.universalservice.org</a>).</p>
<p><b>Cost Allocation</b></p>	<p>Products and services available in the commercial marketplace may contain both eligible and ineligible components. However, E-rate discounts can be provided only for products and services that are eligible under program rules. Cost Allocation is a process whereby an applicant provides a fair delineation of the eligible and ineligible components of a product or service, so that partial funding can be provided.</p> <p>In general, funding requests that include only a single price for components that contain both eligible and ineligible functionality will be deemed fully ineligible. See the SLD web document <a href="#">Cost Allocation Guidelines for Products and Services that Contain Eligible and Ineligible Components</a> for further information, which additionally describes Ancillary Use, which is funding for components that include</p>

	ineligible functionality strictly on an ancillary basis.
<p><b>Cost Allocation for File Servers</b></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 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 SLD web document <a href="#">Cost Allocation Guidelines for File Servers and Other Components</a>.</p>
<p><b>Digital Transmission Services</b></p>	<p>Leased data circuits for voice, video, and/or data that connect an eligible school or library facility to other locations beyond the school or library, including an Internet Service Provider, are eligible for discount.</p> <p>Technologies employed may include, but are not limited to: Asynchronous Transfer Mode (ATM), Digital Subscriber Line (DSL, ADSL, SDSL, HDSL, IDSL, VDSL), DS-1, DS-2, DS-3, Frame Relay, Integrated Services Digital Network (ISDN), OC-1, OC-3, OC-12, OC-N, Satellite, Switched Multimegabit Data Service (SMDS), T-1, T-2, T-3, Fractional T-1, and Wireless.</p> <p>Data circuits that provide voice, video, or data connectivity exclusively within school or library grounds are not eligible for funding as a Telecommunications Service, but may be eligible as Internal Connections.</p>
<p><b>Eligible Users and Locations</b></p>	<p>Eligible users and locations are those that are involved with activities that are integral, immediate, and proximate to the education of students or the provision of library services to patrons. The presumption is that activities on school or library property meet this standard. Some offsite telecommunications activities may also meet this standard, such as a school bus driver using a cell phone, connectivity to a mobile library van, and</p>

	<p>paging service for teachers on field trips.</p> <p>The term “school or library property” includes a District Office of 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><b>Functional Categories for Internal Connections</b></p>	<p>Cabling/connectors</p>	<p>Cabling and connectors for the distribution of voice, video, and data within eligible locations are, in general, eligible.</p>
	<p>Circuit cards/components</p>	<p>Circuit cards and other components that work in or with an eligible component, and provide an eligible function, are in turn eligible.</p>
	<p>Computers</p>	<p>Computers used as file servers or similar centralized functions can be eligible if the use is necessary to transport information all the way to individual classrooms or public areas of a library.</p>
	<p>Data distribution</p>	<p>Components used to distribute information from telecommunications or Internet access facilities, all the way to individual classrooms or public areas of a library, are eligible.</p>
	<p>Data protection</p>	<p>Some types of data protection components are used to ensure continued operation of eligible equipment, and can be eligible.</p>
	<p>End-user</p>	<p>End-user equipment is not eligible.</p>
	<p>Intercom and voice paging</p>	<p>Intercom and voice paging equipment does not facilitate transport of telecommunications or Internet access information, and is not eligible.</p>

	Interfaces, gateways, antennas	Interfaces, gateways, and antennas that are used as Internal Connections to transport telecommunications or Internet Access information all the way to individual classrooms or public areas of a library are eligible.
	Miscellaneous	See individual entries for eligibility information.
	None	No category is indicated-- see the individual descriptions for eligibility information.
	Software	Operating system software that is required for operation of an eligible component, and e-mail software, is eligible. End user software is not eligible.
	Storage Devices	Devices used to store eligible software and files are eligible for discount, but devices used to store ineligible software and files are not eligible.
	Technical Services	The assistance of contractor personnel, when tied directly to the provision of an eligible product or service, can be eligible. See the individual entries for qualifying information. See also the entry for Technical Services in the Miscellaneous section of this document.
	Telephony	Centralized telephony components that are an essential element in the transport of information within eligible locations are eligible. End user components are not eligible.
	Video	Centralized video components that are an essential element in the transport of information within eligible locations are eligible. End user components are not eligible.
<p><b>Internet Access with Ineligible Features</b></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><b>Lease of Wide Area Network Infrastructure</b></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 implementation costs (leased equipment and its installation) of service provider infrastructure. The <a href="#">Wide Area Network Fact Sheet</a> has full details about exclusive access limitations, amortization requirements, and other eligibility conditions for lease of Wide Area Network functionality.</p>
<p><b>Network File Servers</b></p>	<p>A file server is a shared computer on a local area network, and can be eligible or ineligible for discounts, depending on how it is used. Eligible servers are used to provide functionality for Dynamic Host Configuration Protocol (DHCP), Domain Name Services (DNS), E-mail, Firewall Server, or Terminal Services. Ineligible uses include Application Server (e.g., providing application software to end users), Database Server, Data Warehouse Server (including storage of non-e-mail end user files), and Archive Server.</p> <p>In addition, the following uses are not eligible: Caching Server, Print Server, and Proxy Server. In the case of these latter three functions, however, an eligible server may provide these features coincidentally if the principal functionality of the server is for other eligible purposes, and the ineligible features are included as an intrinsic part of the core network operating system.</p> <p>A computer that is used by an end user, even if the computer is configured to provide server functionality, is not eligible for discount.</p>
<p><b>Software</b></p>	<p>Eligible software consists only of operating system software for shared systems and multi-user e-mail or voice mail software. For example, software for a network operating system and a router operating system are eligible. Other types of software such as all end user software is not eligible.</p>

	<p>Ineligible software includes application software, developmental software, network management software, operating system software for end user computers, security software, and utility software.</p> <p>The e-mail portion of groupware software is eligible, and cost allocation may be used for discounts on the eligible portion.</p> <p>Ineligible functionality may be included with network operating system software, if such functionality is a standard component part. For example, although a separate component for providing a print server functionality is not eligible, such functionality may be provided as a standard component part of a network operating system.</p> <p>A computer operated by an end user, that is also set up as a network server, is considered an ineligible end user computer.</p>
<p><b>Storage</b></p>	<p>Data storage products are not eligible if used to store the following information: end user files other than e-mail files, application software, other ineligible software, archival information, and caching files.</p> <p>However, unless excluded in the above list, storage products may be used for network operating system files (when the associated file server is used for an eligible purpose), Domain Name Service (DNS) files, Dynamic Host Configuration Protocol (DHCP) files, Web server software and files (when used for providing information available on the worldwide Internet), and E-mail software and files.</p> <p>Storage devices on end users computers are not eligible. Devices used to supplement storage requirements of personal computers on a network are not eligible.</p>
<p><b>Technical Services</b></p>	<p>Some types of technical services, and their limitations for eligibility, are as follows.</p> <p>DESIGN AND ENGINEERING—Basic design and engineering costs necessary for installation and initial configuration are eligible only if they are coincident (i.e.,</p>

	<p>occur at the same time) with the installation of eligible equipment and services and if part of a contract or bid for those eligible products or services.</p> <p><b>INSTALLATION</b>—Services tied directly to installation and initial configuration are eligible; services for planning, architecture design, and other activities not tied directly to actual installation and initial configuration are not eligible.</p> <p><b>MAINTENANCE AND TECHNICAL SUPPORT</b>—Basic maintenance is eligible for discount only if it is a component of a maintenance agreement or contract for eligible services or products, and these maintenance services are cost effective. The agreement or contract must specifically identify the eligible products or services covered, including product name, model number, and location. End user support is not eligible. Network management services, such as monitoring of bandwidth usage, are not eligible.</p> <p><b>PROJECT MANAGEMENT</b>—Basic costs associated with the management of the installation and initial operation of eligible products and services are eligible only if they are part of a contract or bid for those eligible products and services. Project management costs that involve initial planning are not eligible.</p> <p><b>TRAINING</b>—On-site training is eligible only if it is basic instruction on the use of eligible equipment, coincident with and directly associated with the installation of such equipment, and a part of the contract or agreement for the equipment. 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, is not eligible for discount.</p> <p><b>CONSULTING SERVICES</b>—Services that provide general consulting not directly tied to basic installation and configuration of eligible services are not eligible. Such ineligible services, include, but are not limited to, initial planning, network architecture design, development of technology plans, application assistance, and program advice.</p> <p><b>PERSONNEL COSTS</b>—Labor costs for school and library personnel are not eligible for discount. Costs for contractor personnel to operate components are not</p>
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	eligible.
<b>Telephone Service and Technology Plans</b>	If submitting a Form 471 application ONLY for single line voice services (Local, Cellular/PCS, and/or long distance telephone service), applicants are not required to develop a Technology Plan. Applicants applying for other products or services, including PBX, key system, Centrex system, or similar technology are required to develop a Technology Plan.
<b>Video Components</b>	<p>Video components necessary to transport information all the way to individual classrooms or public areas of a library are eligible. Examples of such components can include an Enhanced Multimedia Interface, Master Control Unit, MPEG video encoder, Multipoint Control Unit, video amplifier, and video channel modulator.</p> <p>End user video equipment is not eligible for discount. Examples include media retrieval equipment, video monitors, televisions, video cameras, and video recorders and playback devices.</p> <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 by end users.</p> <p>Components used for the display or distribution of broadcast and cable television signals are not eligible.</p>
<b>WAN Versus LAN Components</b>	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, 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. That is, the Local Area Network is considered to be the part of the network on school or library property, and hence is considered under the eligibility requirements for Internal Connections. The Wide Area Network constitutes the connection that runs from a demarcation point at the school or library

	<p>property to a point outside of the school or library property (i.e., across a public right of way) and is not funded as Internal Connections.</p> <p>In order to determine what may be properly funded as Internal Connections, a demarcation point between the Wide Area Network and the Local Area Network must be established. This approach is described more fully in the SLD web document <a href="#">On-premise Priority 1 Equipment</a>.</p>
<p><b>Wireless Components</b></p>	<p>The specific technology employed is not a factor when determining the eligibility of a product or service. For example wireless phone service must meet the same eligibility requirements as landline phone service. For wireless network technology, the radio frequency components such as transmitter and antenna (or satellite dish) are considered to achieve the same functionality as cabling.</p>