



PUBLIC NOTICE

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RELEASE OF FUNDING YEAR 2006 ELIGIBLE SERVICES LIST FOR SCHOOLS AND LIBRARIES UNIVERSAL SERVICE MECHANISM

CC Docket No. 02-6

On December 23, 2003, the Commission adopted a rule that formalizes the process for updating the eligible services list for the schools and libraries universal service support mechanism.¹ On August 15, 2005, the Commission released a Public Notice (FCC 05-158) seeking comment on USAC's proposed eligible services list, pursuant to the Commission's rules.²

Pursuant to section 54.522 of the Commission's rules, the Commission releases the attached funding year 2006 Eligible Services List (ESL) for the schools and libraries universal service support mechanism. Section 54.522 requires the Commission to issue a public notice attaching the final eligible services list for the upcoming funding year at least 60 days prior to the opening of the funding window for the schools and libraries program.³ Under this timeframe, the Administrator of the schools and libraries universal service support mechanism (the Universal Service Administrative Company or USAC) would need to wait 60 days after the Commission releases a final ESL for funding year 2006, before it could open the funding window for funding year 2006. To facilitate the application process for funding year 2006, we authorize USAC to open the annual application filing window on December 1, 2005. We therefore waive on our own motion section 54.522 of the Commission's rules requiring publication of the ESL at least 60 days prior to the commencement of the filing window. We conclude that this action will facilitate the application process for E-rate beneficiaries applying for monies for funding year 2006.

Some of the major changes in eligibility that have been made to the funding year 2005 version of the ESL are highlighted below:

- **On-premise Wireless WAN Components:** Modifications to the list will allow on-premise components to be requested either as Internal Connections or as part of the Priority 1 service.
- **Terminal Servers:** We add a new entry for Terminal Servers defining when a Terminal Server will be considered eligible for discounts.

¹See 47 C.F.R. § 54.522. The rule was intended to promote greater transparency for what is eligible for support under the schools and libraries support mechanism. See *Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Third Report and Order and Second Further Notice of Proposed Rulemaking, 18 FCC Rcd 26912, 26929, para. 40 (2003).

²See *Pleading Cycle Established for Eligible Services List for Universal Service Mechanism for Schools and Libraries*, CC Docket No. 96-45, FCC 05-158, Public Notice (rel. August 15, 2005) (August 15th Public Notice).

³See 47 C.F.R. § 54.522.

- **Virtual Private Network Components:** We clarify that Virtual Private Network components will now be eligible for discounts if they provide basic and reasonable security protections to prevent unauthorized access to the information, software, and systems of an applicant's eligible components.⁴
- **Voice Mail Equipment:** An entry has been added for Voice Mail Equipment in the Internal Connections section of the document.
- **Late Payment Fees:** We add an entry to clarify that late payment charges and fees will not be funded.
- **Duplicative Services:** An entry has been added to the Miscellaneous section to explain that in general, duplicative services will not be funded.

After reviewing the entire record in this proceeding, the Commission has made additional substantive changes to the version of the ESL proposed by USAC as released by the August 15th Public Notice. Some of the major changes made to the version of the ESL proposed by USAC are highlighted below:

- **Note Concerning Combined Priority 1 Services:** We have declined to adopt USAC's proposal to require applicants to use a separate Funding Request Number for the Internet Access portion of a combined service offering.⁵
- **Wireless Internet:** We have clarified USAC's proposed changes to the entry for Wireless Internet to provide eligibility for wireless internet access for portable devices as long as the applicant has in place an auditable system to allocate between eligible and ineligible uses.⁶
- **Terminal Servers:** We have revised USAC's proposed language for this new entry which had indicated that a terminal server that provided access to software was ineligible under the guidelines.⁷
- **Certifications and Statements Regarding Eligible Use:** We decline to adopt USAC's proposed entry and corresponding modifications asking for additional certifications beyond the certifications already required in Block 6 of Form 471.
- **WAN vs. LAN Components:** We make minor changes to establish that there could be one demarcation point per each Wide Area Network service.⁸

As we stated in the August 15th Public Notice, this proceeding is limited to determining what services are eligible under the Commission's current rules and is not intended to be a vehicle for changing any eligibility rules. Therefore, those comments not addressed in the funding year 2006 Eligible Services List, may be more appropriately filed for the Commission's consideration in the active proceeding for the

⁴See Comments of BellSouth Corporation at 1.

⁵See Comments of Sprint Nextel Corporation at 1-3; Comments of the State E-rate Coordinators' Alliance (SECA) at 1-3; Comments of E-rate Central at 1-2.

⁶See Comments of Sprint Nextel Corporation at 4-5.

⁷See Comments of Citrix at 3.

⁸See Comments of General Communication, Inc.; Reply Comments of Lower Kuskokwim School District, Alaska; Reply Comments of the Alaska Department of Education and Early Development and the Alaska State Library at 1-3.

Schools and Libraries Universal Service Support Mechanism in CC Docket No. 02-6. Those comments not addressed may include comments that requested eligibility for new services or products, comments that requested that services or products currently deemed ineligible be made eligible, comments that requested that the Commission take action outside of the scope of this proceeding, and/or comments that requested that the Commission take action that was not permitted by the short time frame allotted for this proceeding by section 54.522.

For further information, contact Warren Firschein or Cara Voth in the Telecommunications Access Policy Division, Wireline Competition Bureau at (202) 418-7400, TTY (202) 418-0484.

Action by the Commission on November 18, 2005 by Chairman Martin and Commissioners Abernathy, Copps, and Adelstein.

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