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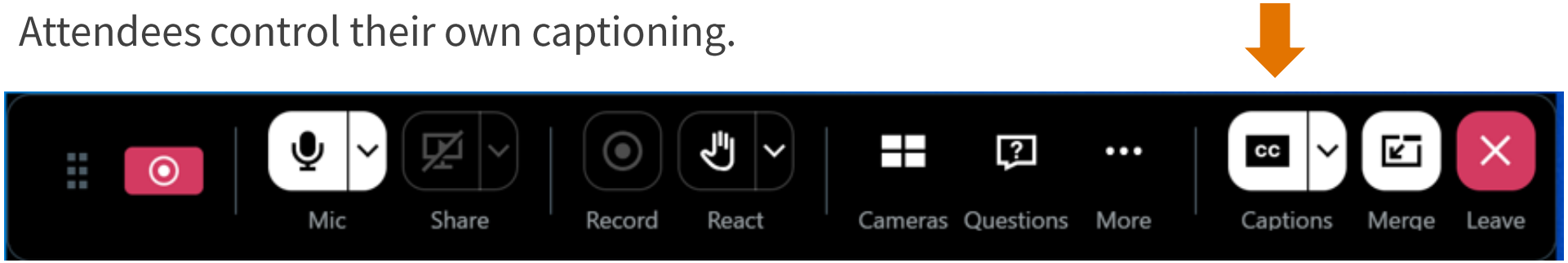
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November 3, 2026

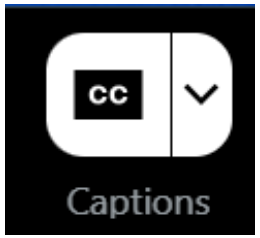
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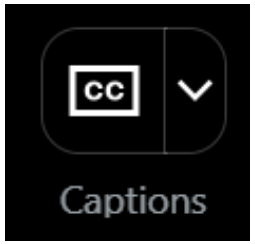
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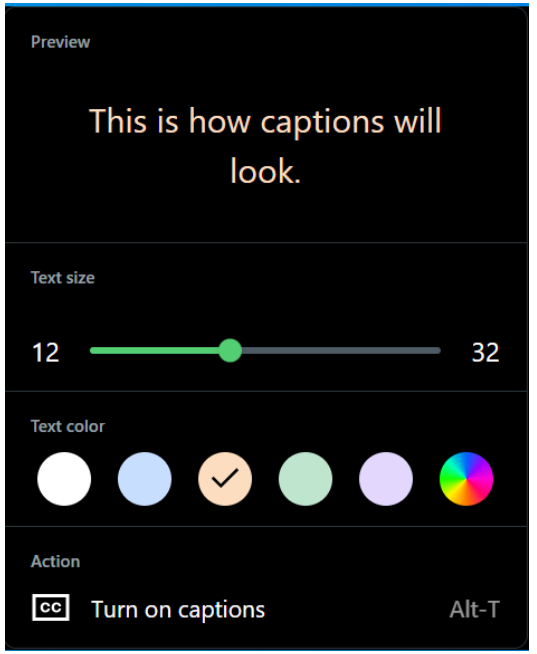
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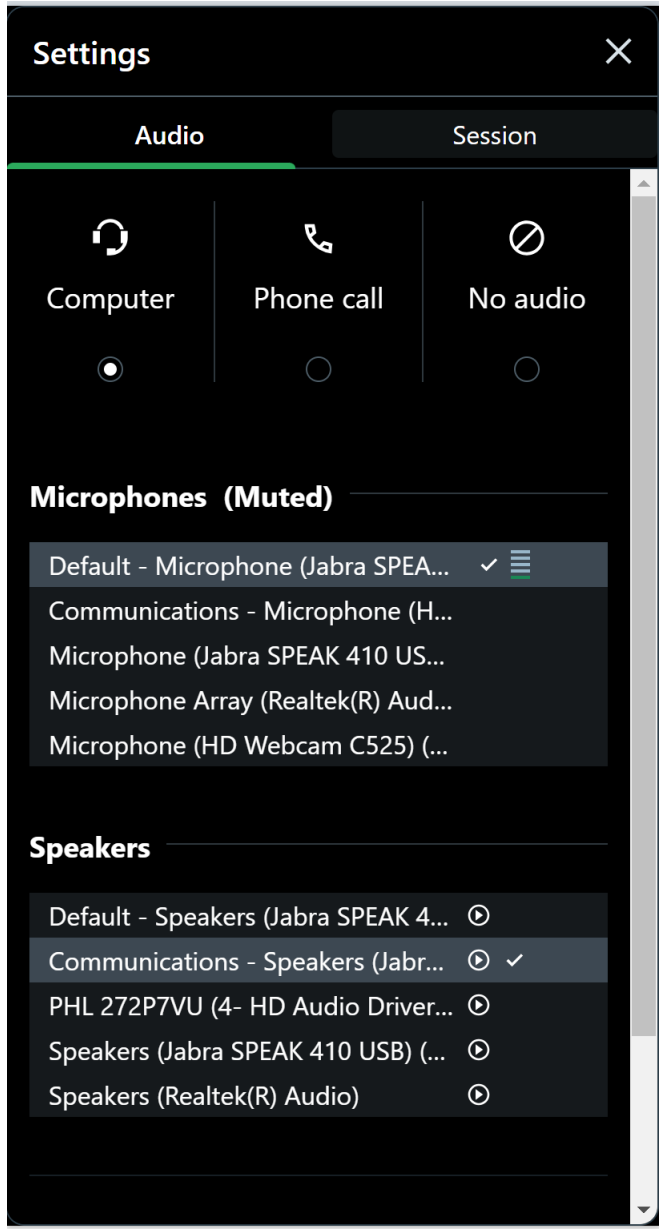


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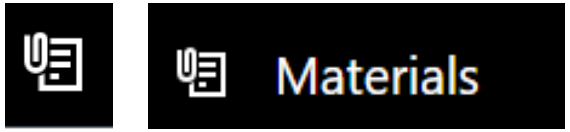
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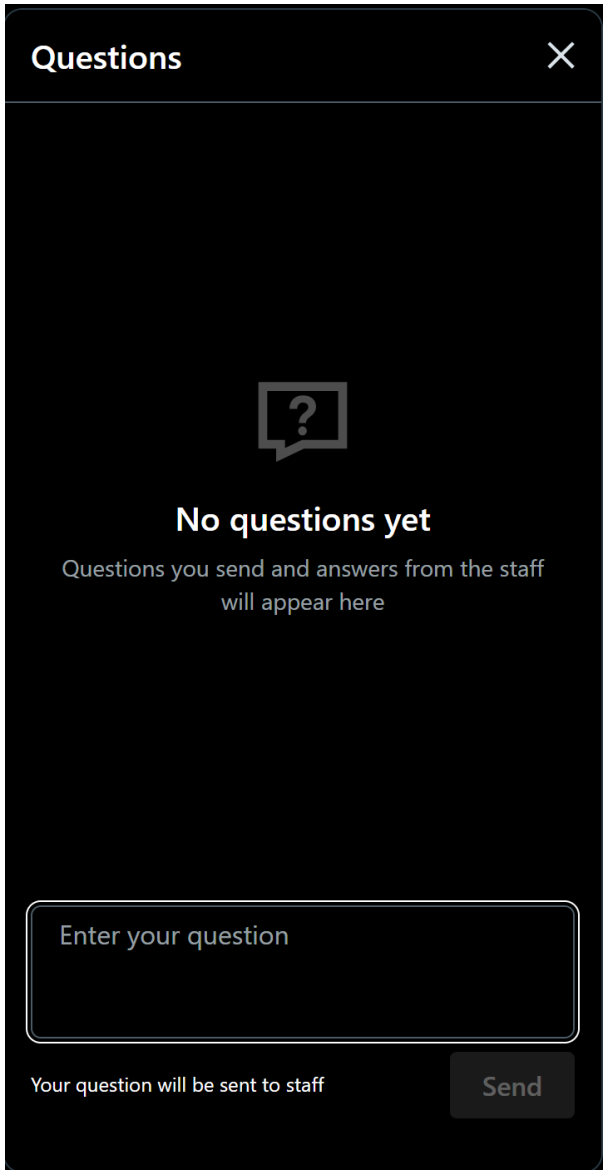


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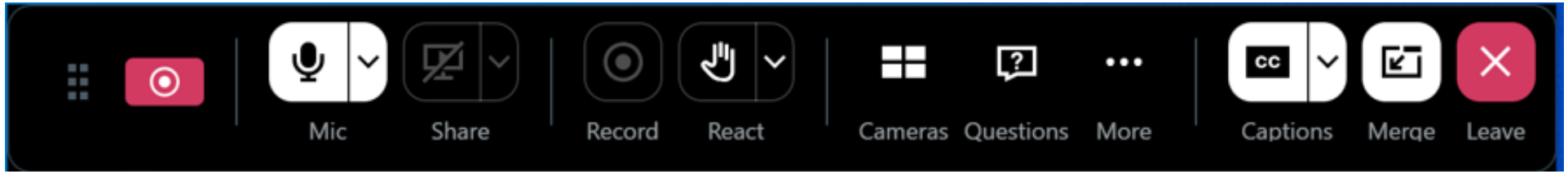


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Bernie Manns

Senior Director | E-Rate



Nekose Wills

Sr. Communications Specialist | E-Rate

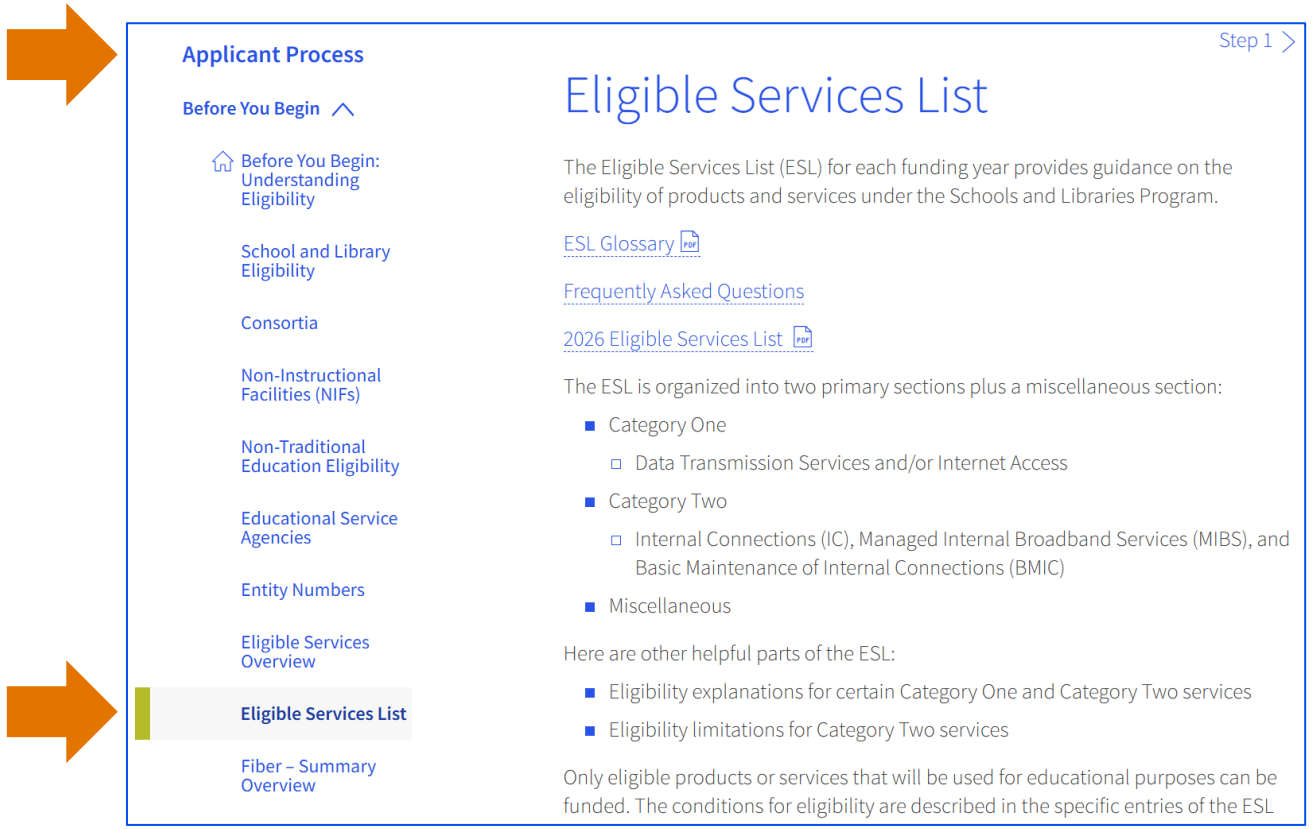
Agenda

- Eligible Services List
- Types of Eligible Service
- FY 2026 Changes to BMIC
- More on Eligible Services
- Advance Installation
- Basic Fiber Concepts
- Questions & Answer Session

Eligible Services List

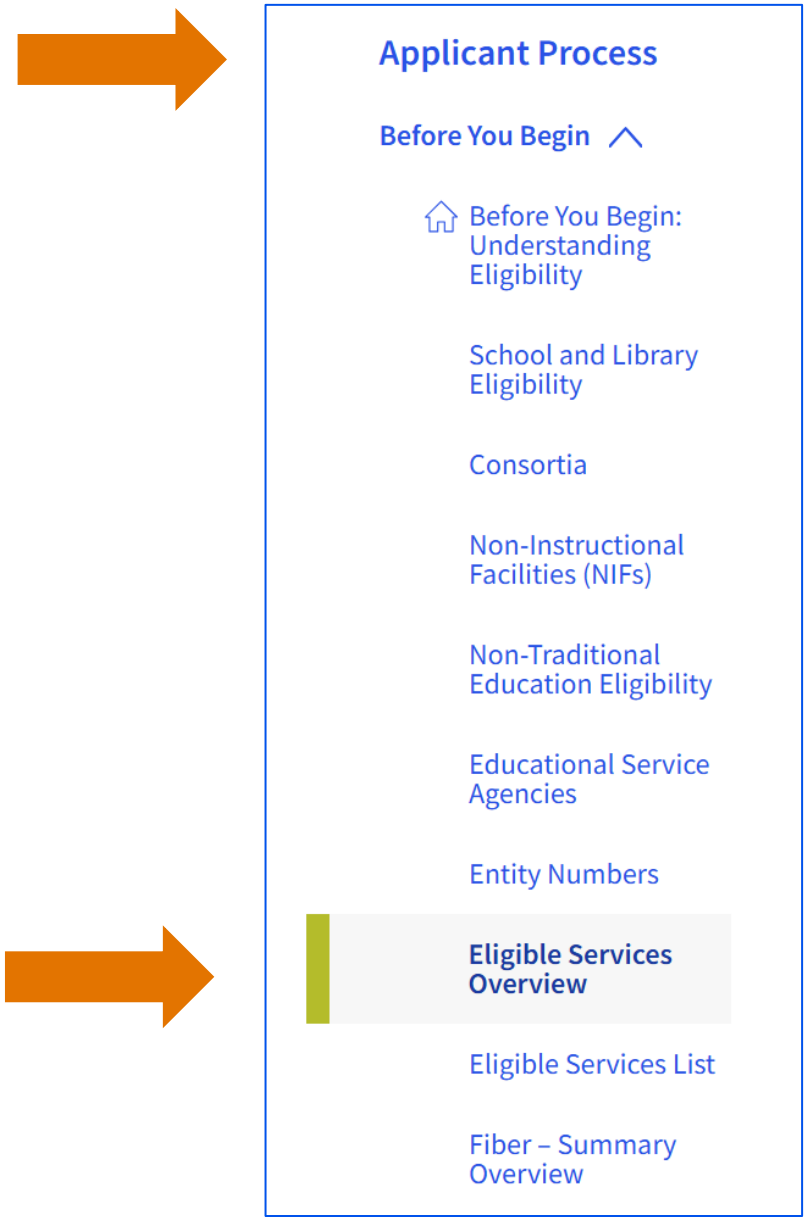
The Eligible Services List (ESL)

- Each year, before the opening of the FCC Form 471 filing window, the FCC releases a list containing general guidance on the equipment and services that are E-Rate eligible for the upcoming funding year.



Eligible Services List (ESL)

- The ESL also provides helpful information such as **eligibility conditions** for each category of service for the funding year.
- Applicants can only receive funding for eligible equipment and services that are being used for **educational purposes**.



Eligible Services List (ESL)

The final eligible services list will be adopted by the Order this fall. The final FCC Order containing the Funding Year 2027 Eligible Services List will be posted on E-Rate's Eligible Services List webpage when it is released.

The ESL Order has five sections, with the actual Eligible Service List posted last.

- Introduction – A preface to the contents of the Order.
- Background – Discusses the FCC's seeking of comments, and related actions, prior to issuing the Order.
- Discussion – Detailed discussion of scope of modifications in the Eligible Services List.
- Appendix A – List of Commenters.
- Appendix B – FY2026 Eligible Service List.

FY2026 Eligible Services List Updates

FY2026 ESL Changes: BMIC

- Software-based licenses and services were treated differently depending on whether they were categorized as Basic Maintenance of Internal Connections (BMIC) or internal connections, even when they were bundled or a hybrid software service. Applicants were confused regarding the eligibility of Managed Internal Broadband Services (MIBS) services and how they differ from BMIC services.
- The confusion from the differing treatment of these services in funding requests resulted in applicants risking competitive bidding violations when they were unable to make the proper distinction when requesting these services in their FCC Form 470s.
- To alleviate this confusion, the FCC's Wireline Competition Bureau (WCB) revised the FY2026 ESL to treat all currently eligible software- or remote-based services, including bug fixes, security patches, software-based technical assistance, and configuration changes the same.

WCB Changes to BMIC

- **Amended the entries for "Eligible Broadband Internal Connections"** to include software-or remote-based services, including bug fixes, security patches, software-based technical assistance, and configuration changes.
- **Amended the bullets listed under "Basic Maintenance of Eligible Broadband Internal Connections"** to limit configuration changes to those performed in person and deletes "Basic technical support including online and telephone-based technical support" and "Software upgrades and patches including bug fixes and security patches."
- **Amended the language in "eligibility limitations for basic maintenance"** to delete language related to bug fixes, security patches, and technical support.
- Applicants should request all software-based and remote-based services with the internal connections equipment that they support.

Types of Eligible Service

Categories of Services

Category 1

- Services needed to support broadband connectivity **to eligible schools and/or libraries**

Category 2

- Services needed for broadband connectivity **within schools and/or libraries**, and
- Services needed **to bring broadband into and provide it throughout** schools and libraries.

*Equipment and services may be fully or only partially eligible for E-Rate Support.

Categories of Services

Category One (C1)

- Data Transmission and/or Internet Access
- Visit the Eligible Services List on our website

Category Two (C2)

- Internal Connections, Managed Internal Broadband Services, and Basic Maintenance of Internal Connections
- Applicant has a budget or limit on how much funding can be requested
- Budget covers a five-year period (FY2026-2030)
- See Category Two Budgets page

Category One Services – Service to the Entity – Examples

- Leased lit fiber or leased dark fiber
- Internet access
- Satellite service
- DS-1 (T-1), DS-3 (T-3), etc.
- DSL
- Broadband over power lines

C1 Services – Service to the Entity – Eligible Costs

- Eligible costs associated with Category One services:
  - Monthly charges
  - Special Construction
  - Installation and Activation charges
  - Software
  - Modulating electronics/equipment necessary to make an eligible Category One broadband service functional
  - Maintenance and operations charges, including costs of software needed for the operation of or maintenance of Network Equipment
  - The FY 2024 Eligible Services List clarified that the software necessary to operate or maintain Category One equipment is eligible.

Cost Allocation

- For cost allocations, the FCC clarified that the ancillary use presumption explained in FCC 23-56 applies to all Category One (C1) services including data transmission services, wide area network services, ethernet, etc.
  - E.g. if at least 90% of an applicant's requested recurring C1 service will be used for an eligible purpose during the funding year, the remaining ineligible use of the C1 service at eligible locations will be presumed to be ancillary, and cost allocation is not required.
- USAC procedures have been updated to ensure this presumption is applied to all C1 services.

Types of Category Two (C2) Service

- **Internal Connections (IC) -** The equipment and services used to bring broadband into, and provide it throughout, schools and libraries.
- **Basic Maintenance of Internal Connections (BMIC)** – Basic maintenance and technical support appropriate to maintain reliable operation for eligible broadband internal connections.
- **Managed Internal Broadband Services (MIBS)** – Third-party operation, management, and monitoring of eligible broadband internal connections (owned or leased equipment).
- Category 2 services have a five-year budget, based on student count (schools) or square footage (libraries).
- The type of Category 2 service you select must be consistent between your FCC Form 470 and FCC Form 471.

Category Two Service Type Examples

Internal Connections

- Cabling, routers, switches, and modems
- Right-to-use software or Client Access Licenses
- Software-or remote-based services, including bug fixes, security patches, software-based technical assistance, and configuration changes

**With changes made during FY2026, applicants should request all software-based and remote-based services with the internal connections equipment that they support.

Basic Maintenance of Internal Connections (BMIC)

- The **onsite** repair and upkeep of eligible cabling, routers, switches and modems
- Only **onsite** maintenance services provided in the applicable funding year are eligible in that year

Managed Internal Broadband Services (MIBS)

- Managed Wi-Fi agreement

Budgeting by Category

- **Category One (C1)** services are generally not limited in cost as long as they are cost effective.
- **Category Two (C2)** services are limited by a pre-discount cost ceiling (the "Category Two budget")
  - Budget period is five years
  - Budget is calculated based on:
    - Schools: Number of full-time students in the school
    - Libraries: Square footage of the library branch

Recurring Services

- Services that are billed **monthly** (e.g., broadband internet access service)
- Must be received during the relevant funding year to be eligible for E-Rate funding.
- For FY2027, this means that recurring services must be **received** between July 1, 2027, and June 30, 2028.

Non-Recurring Services

- One-time charges for equipment and services that are delivered and installed (e.g., wiring, other cabling or wireless installations and equipment).
- Applicants and service providers have until September 30 following the close of the funding year to deliver and install non-recurring C2 services.
- For **FY2027**, this means **non-recurring C2** services can be delivered from **July 1, 2027, through September 30, 2028**.
- This service delivery deadline can be extended under certain circumstances.

Advance Installation

What is Advance Installation?

- Some **Category One** non-recurring equipment can be installed as early as January 1, prior to the July 1 start of the funding year, if certain conditions are met. See Advance Installation for more information.
- **Category Two** non-recurring services can be installed beginning April 1 before the start of the funding year.

Advance Installation – Category One

Advance installation for non-recurring **Category One** equipment and services can occur, provided the following conditions are met:

- The construction begins after selection of the service provider;
- The service provider must be selected pursuant to an FCC Form 470 posting;
- A Category One recurring service must depend on the installation of the infrastructure;
- The Category One recurring service's actual start date is on or after July 1 of the funding year.

Advance Installation – Category Two

Advance installation of non-recurring **Category Two** equipment and services:

- Services cannot start until after the **28-day competitive bidding process** is completed and the service provider is selected.
- Funding is not guaranteed until USAC issues a Funding Commitment Decision Letter.

Advance Installation Reminders

- Funding is not guaranteed until USAC issues a Funding Commitment Decision Letter (FCDL).
- Invoices FCC Form 472 or FCC Form 474 cannot be dated before July 1 of the funding year.

Basic Fiber Concepts

Introduction to Fiber - Types of Eligible Fiber

1. **Leased lit fiber**

   A fiber-based broadband service where the service provider owns, maintains, and manages the network, and the E-Rate applicant pays a recurring fee to have data transported over the network.

2. **Leased dark fiber**

   The applicant leases a portion of a fiber network owned by a service provider and pays separately for the network equipment, maintenance and operations, and data transport and/or internet access service over that fiber.

Introduction to Fiber - Types of Eligible Fiber

3. Self-provisioned network

Applicant ownership of a high-speed broadband network. The applicant hires a vendor to construct the network or a portion of the network, and thereafter completely or partially owns and maintains that network or portion. An E-Rate eligible entity may share the services and equipment used to construct and/or operate a self-provisioned network supported by E-Rate funding with an ineligible third-party entity so long as the ineligible third-party entity pays its fair share of the costs, i.e., its pro-rata portion of the undiscounted costs of the network.

Note: Although included as a fiber option, a self-provisioned network may utilize technologies other than fiber. The applicant owns the network that it hires a service provider to construct. The applicant must pay for the network equipment, pay to maintain the network, and pay for any data transport and/or internet access services separately.

Introduction to Fiber - Types of Eligible Fiber

3. Self-provisioned network (continued)

Self-provisioned networks are a technology-neutral eligible service. Applicants may self-provision a fiber network, but applicants may also self-provision networks using other technologies (i.e., fixed microwave) or a mix of fiber and other technologies. In light of this, the FCC adopted a technology-neutral competitive bidding standard for self-provisioned networks – service provided over third-party networks.

Fiber – What is Network Equipment?

- A single piece of Network Equipment (also called basic terminating equipment) is eligible under **Category One**.
  - The single piece must be located at the demarcation – the point at which the service provider would start to check if service were interrupted.
- Other pieces of Network Equipment can be eligible as **Category Two** Internal Connections.

Fiber – What is Network Equipment?

- Network Equipment includes the electronics and equipment necessary to make a Category One fiber service functional.
- The Fiber Overview on our website explains fiber in detail.



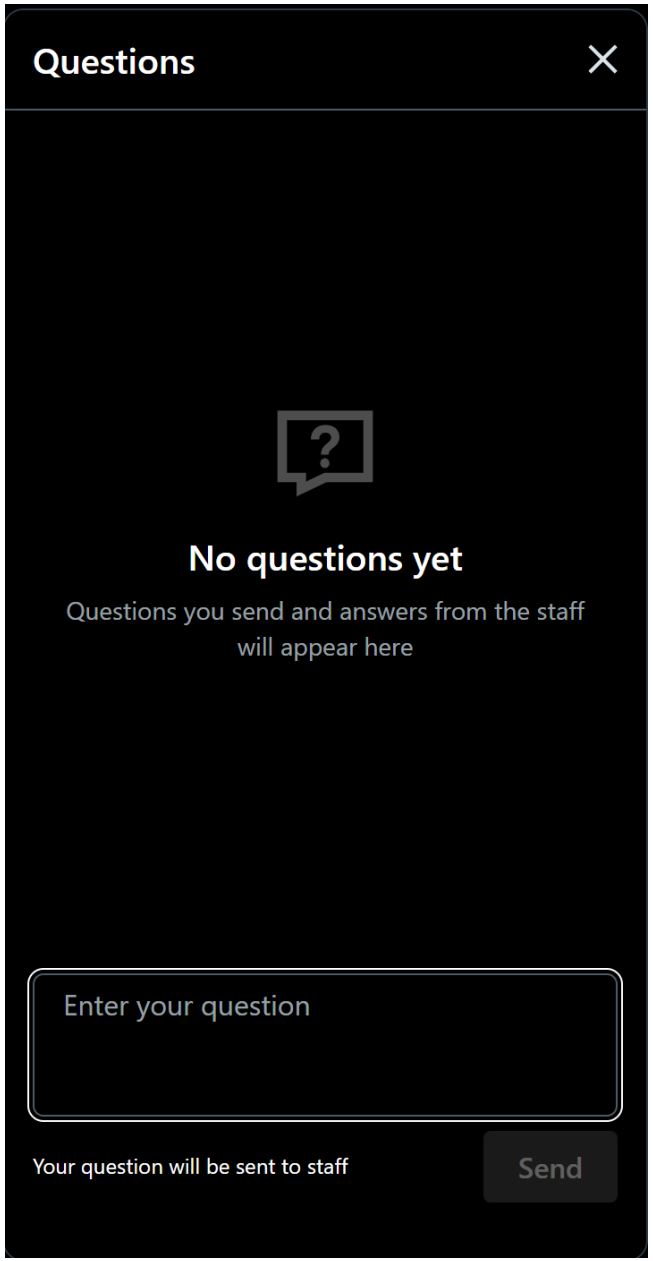
Resources

- Eligible Services Overview Webpage
- Eligible Services List
- Eligible Services List (ESL) Glossary
- Fiber – Summary Overview
- Fiber Frequently Asked Questions
- Webinars & Trainings
- E-Rate News Brief

Live Q&A

Submit your questions about today's topics:

- The ESL List
- BMIC Changes
- Advanced Installation
- Fiber



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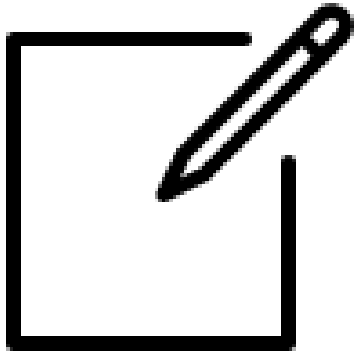
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