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Eligible Services 101

2021 Applicant and Service Provider Training

November 17, 2021

Universal Service Administrative Co.

DISCLAIMER

To accommodate all attendees, real-time closed captions will be present during this presentation. This is a new feature we are testing out to improve webinar accessibility for all. We understand it is a significant change and appreciate your patience. We apologize in advance for any transcription errors or distractions. Thank you for your support.

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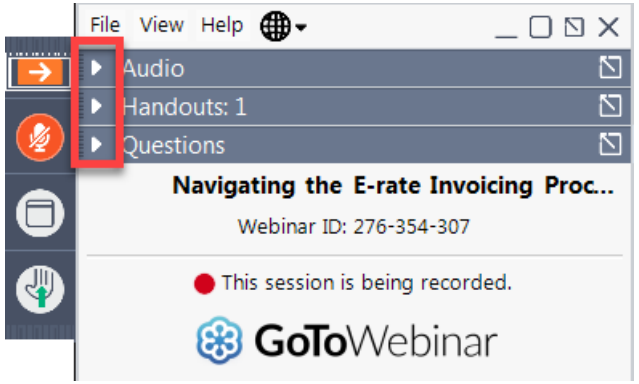
- Use the white arrows to open the sections in the panel.



Housekeeping – Webinar Panel

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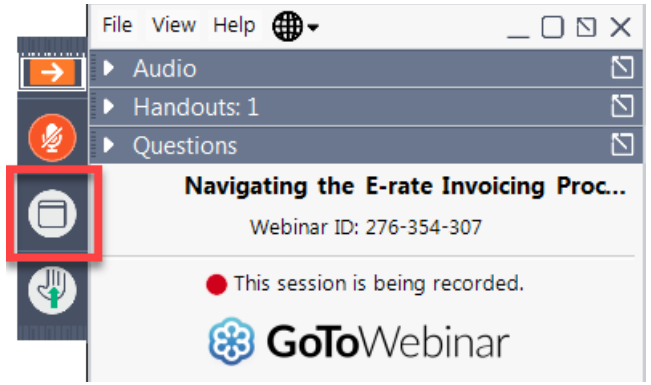

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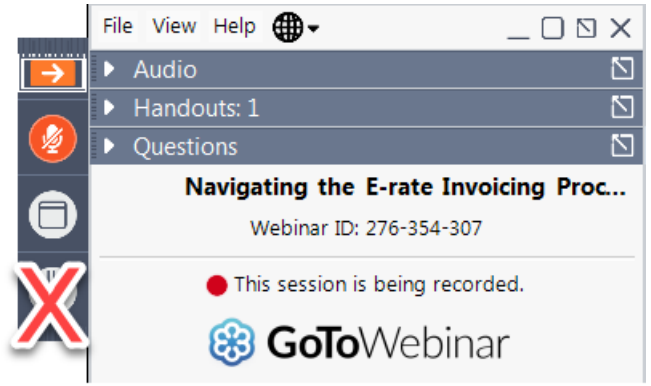

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- Use the “Audio” section of your control panel to select an audio source.
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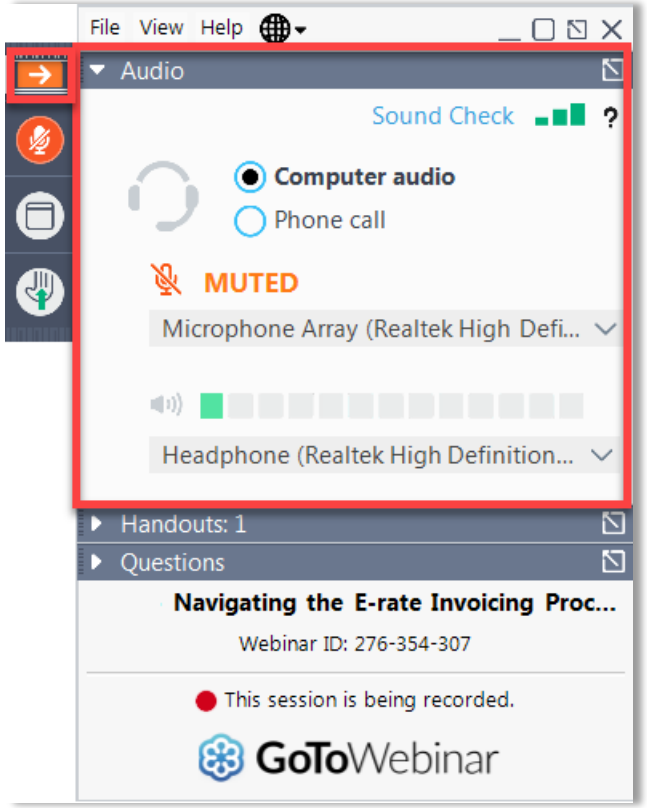

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- Exit webinar and click the check system requirements link in the event confirmation email to determine whether your computer meets the requirements to see and hear the webinar.
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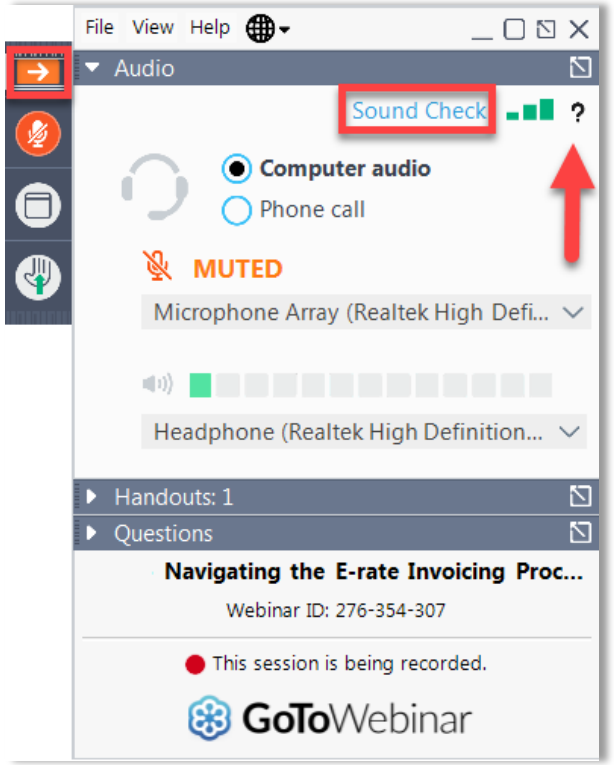
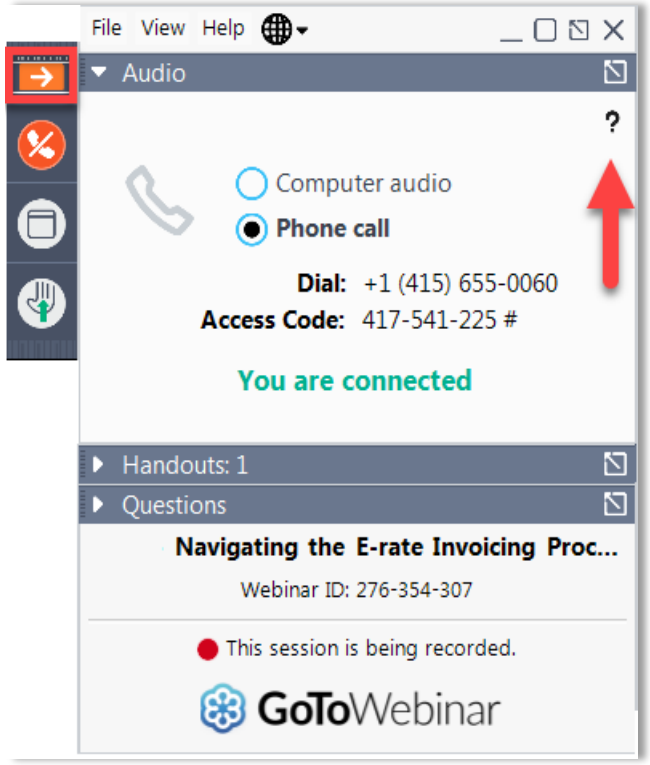
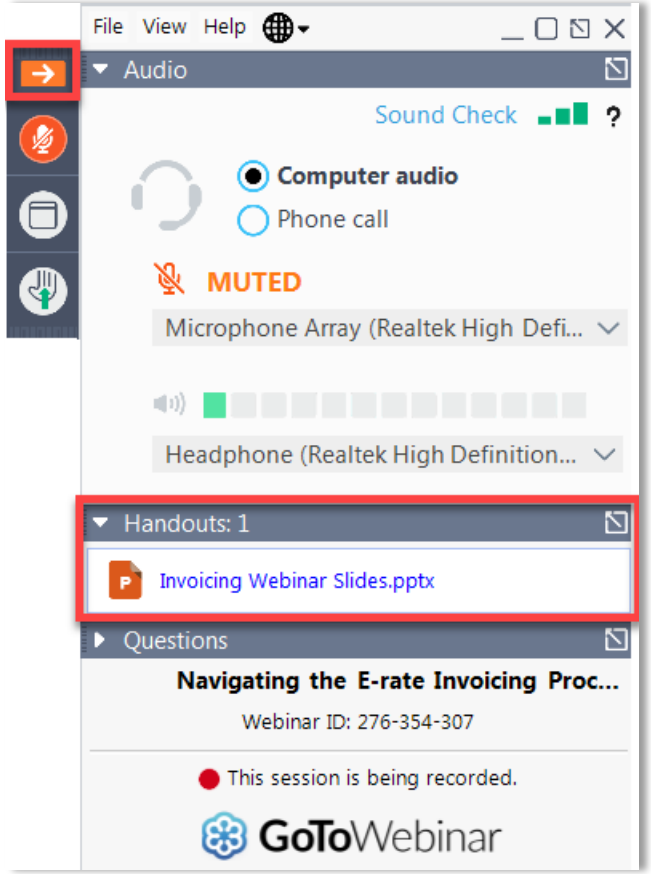




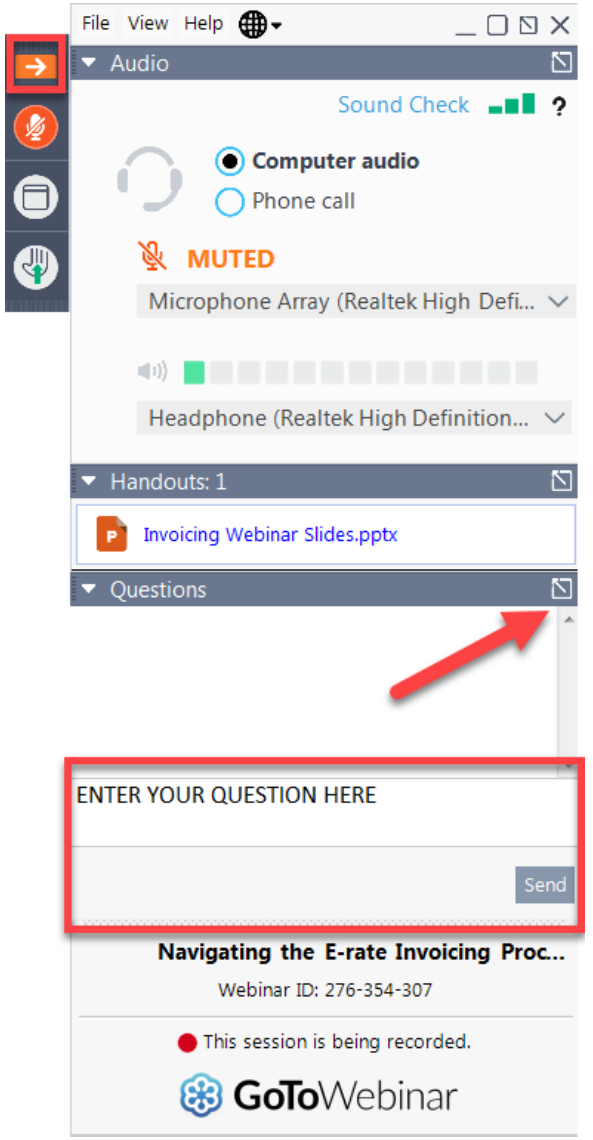
Housekeeping – Resources

- The **slide deck** is available when you click the arrow to expand the "**Handouts**" tab.
- A recording of this webinar will be available after the event via the registration link.



Housekeeping – Q&A

- **There will be a live Q&A session focused on today's topics.**
- Tips for submitting questions:
  - Use the "Questions" box in your webinar control panel anytime during the presentation.
  - Click the box with the arrow above the questions box to expand it and see all written answers.
  - Write in full sentences.
  - Ask one question at a time.
  - Ask questions related to webinar content.



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MEET THE TEAM

Bernie Manns

Director | E-rate program

Nkeshi Free

Communications Specialist | E-rate program

AGENDA

- Eligible Services
- Early Installation
- Basic Fiber Concepts
- Question and Answer

Eligible Services

Eligible Services

Category One (C1)

- Data Transmission and/or Internet Access
- No budget (limit) on funding request

Category Two (C2)

- Internal Connections, Managed Internal Broadband Services, and Basic Maintenance of Internal Connections
- Budget (limit) on funding request
- Budget covers a five-year period

Eligible Services

Category One includes services needed to support broadband connectivity to eligible schools and/or libraries.

Eligible services include:

- Data Transmission and/or
- Internet Access services

Eligible Services

Examples of **Category One (C1)** services include:

- 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

Eligible Services

- **Category Two** includes services needed for broadband connectivity within schools and/or libraries, and services needed to bring broadband into and provide it throughout schools and libraries.
- There are three service types:
  - Internal Connections
  - Basic Maintenance of Internal Connections
  - Managed Internal Broadband Services

Eligible Services - Services Summary

- Internal Connections (IC) - The equipment and services used to bring broadband into, and provide it throughout, schools and libraries.
- Basic Maintenance of Eligible Broadband 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).

Eligible Services

Examples of **Category Two (C2)** services include:

- Internal Connections
  - Cabling, routers, switches, and modems
  - Right to use software or Client Access Licenses
- Basic maintenance of Internal Connections (BMIC)
  - The repair and upkeep of eligible internal connections.
  - Multi-year maintenance service subscriptions
  - Note: Only maintenance services provided in the applicable funding year are eligible. (i.e., a 3- year subscription should be requested over 3 years)
- Managed internal broadband services (MIBS)
  - Managed Wi-Fi agreement

Eligible Services

- **Category One (C1)** services are not limited in cost as long as they are cost-effective.
- **Category Two (C2)** services are limited by a pre-discount cost ceiling ("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

Eligible Services List (ESL)

- Each year, the FCC releases a list of services that are eligible for the upcoming funding year at least 60 days before the opening of the application filing window.
- The ESL for each funding year provides general guidance on what products and services are eligible under the E-rate program 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 each specified funding year.
- Applicants can only receive funding for eligible products or services that are being used for educational purposes.

Eligible Services List (ESL)

- The Eligible Services List for Funding Year (FY) 2022 will be posted on the USAC website on the Eligible Services List webpage when it becomes available.
  - (The rules provide that the ESL will be released at least 60 days prior to the opening of the application filing window.)
- This page also contains Eligible Services Lists for prior funding years.

Eligible Services – Recurring Services

- **Recurring services** are services that are billed on a monthly basis – (e.g., broadband internet access service.)
- Recurring services must be received during the relevant funding year to be eligible for E-rate funding.
- For FY2022, this means that recurring services must be received between July 1, 2022 through June 30, 2023.

Eligible Services – Non-Recurring Services

- **Non-recurring services** are one-time charges for services and/or equipment that are delivered and installed at eligible locations (e.g., wiring, other cabling or wireless installations and equipment).
- Applicants and service providers have until September 30 of the relevant funding year to deliver and install non-recurring C2 services.
- For FY2022, this means non-recurring C2 services can be delivered from July 1, 2022 through September 30, 2023.
- This service delivery deadline can be extended under certain circumstances.

Early Installation

What is Early Installation?

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

Early Installation – Category One

Early installation for non-recurring **Category One** services can occur provided the following conditions are met:

- 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; and
- The Category One recurring service's actual start date is on or after July 1 of the funding year.

Early Installation – Category Two

- Early installation of non-recurring **Category Two** 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.

Early Installation Reminders

- The invoices (BEAR or SPI) cannot be dated before July 1 of the funding year.
- Funding is **not** guaranteed until USAC issues a funding commitment decision.

Basic Fiber Concepts

Introduction to Fiber - Types of Eligible Fiber

1. Leased lit fiber

The applicant pays a monthly fee to the service provider who provides the fiber, the connections, the network equipment, and the data transport and/or internet access service. The service provider also manages and maintains 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.

Fiber – What is Network Equipment?

Network Equipment includes the electronics and equipment **necessary** to make a **Category One** fiber service functional.

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.

Housekeeping – Q&A

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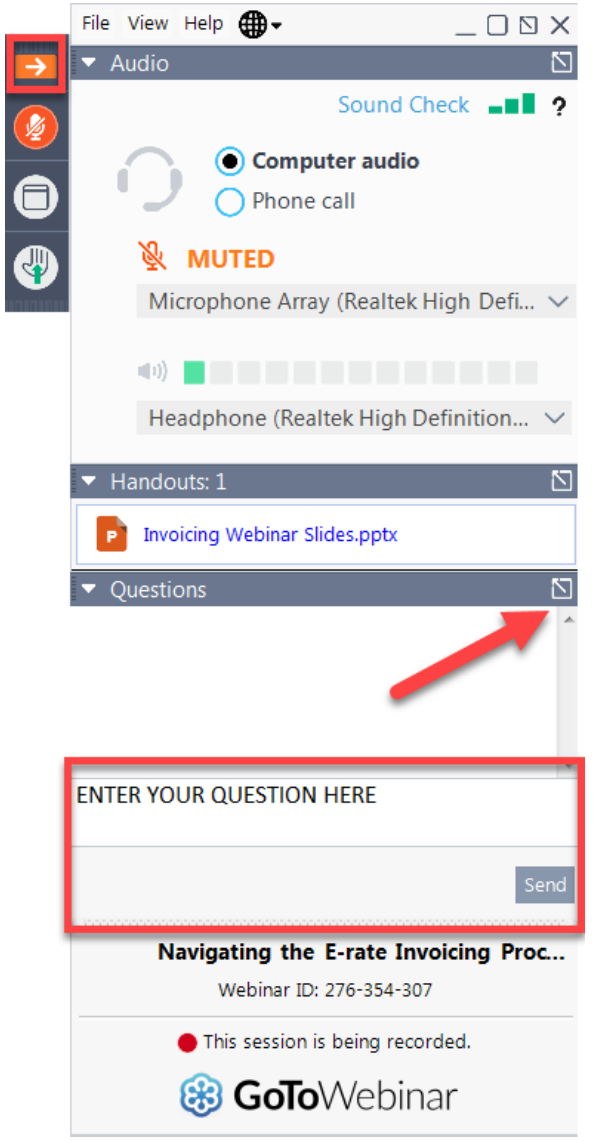

Questions?

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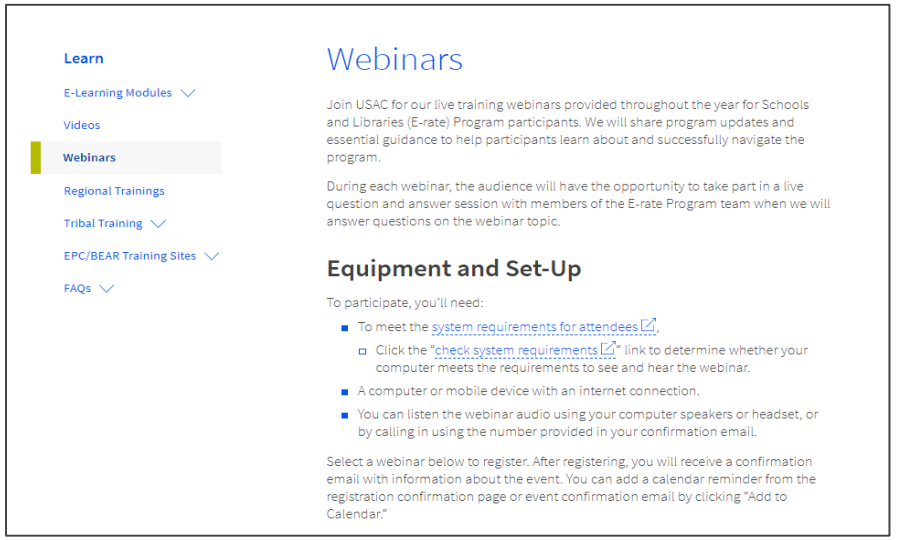
UPCOMING WEBINARS

Our next webinar is on:
November 17 at 3 p.m. ET

Category Two Budgets

Recommended for: Applicants and service providers

E-rate Experience Level: Beginner



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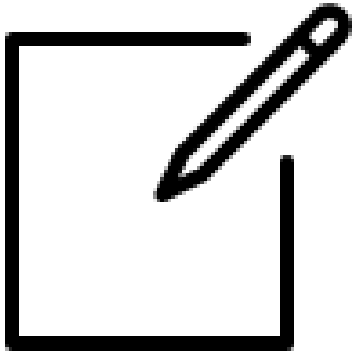

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