

Eligible Services List

Of the Schools and Libraries Support Mechanism

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 program information provided in the [Reference Area of the SLD web site](#). In addition, some entries in this List include references 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 October 10, 2003. (Updated October 27, 2003 for minor conforming changes.) Some eligibility information in this List is a change from prior years and applies to products and service funding requests for Funding Year 2004 and later years. A notation to this effect is provided in the descriptive information for relevant entries.

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.

SERVICE	ELEMENT/DESCRIPTION	ELIGIBILITY
800 Service	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, where N is a specific digit, for example 888, 877, and 866. 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.	

900/976 Charges	"900" is an area code, or dial access 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 900 calls are often included in the toll charges on the local telephone bill. 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, which provide a local, pay-per-call service, are not eligible.	Not Eligible
900/976 Call Blocking	A monthly, or recurring, telephone company charge for the blocking of calls to 900 or 976 numbers. The blocking prevents callers from completing calls to 900 or 976 numbers. As a component of an eligible telecommunications service, 900/976 call blocking is eligible for discount.	
911/E911 Trunks/Lines	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). 911 or E911 trunks or lines are eligible for discount. However, 911 and E911 monitoring services are information services and therefore are not eligible. (Effective for Fund Year 2004 and later years.)	
Alarm Telephone Line	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. A telecommunications circuit used for alarm monitoring is eligible for discount. However, alarm monitoring services are information services and therefore are not eligible. (Effective for Fund Year 2004 and later years.)	
Asynchronous Transfer Mode (ATM) Service	ATM is a digital transmission service. Leased data circuits that connect an eligible school or library facility to other locations beyond the school or library are eligible for discount. See the Special Eligibility Condition for Digital Transmission Services for further information.	
Cellular Service	Cellular Service uses radio transmissions to access other telephone-company networks. Service is provided in a particular area by a low-power transmitter. 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. See also the Special Eligibility Condition for Eligible Users and Locations.	
Centrex	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. 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.	

<p>Conferencing Services</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>Example: 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</p>	<p>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. As features associated with an eligible telecommunications service, custom calling services are eligible for discount.</p>	
<p>Digital Subscriber Line (DSL) Service</p>	<p>Digital Subscriber Line (DSL) is a digital transmission service. 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. See the Special Eligibility Condition for Digital Transmission Services for further information. See also the entry for Digital Subscriber Line (DSL) Internet Access in the Internet Access section.</p>	
<p>Digital Transmission Services</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. Technologies employed may include, but are not limited to:</p> <p>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 Wireless</p> <p>See also the entry for Wide Area Network in this section.</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>Direct Broadcast Satellite</p>	<p>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>Broadcast radio and television, and cable television, are not telecommunications services. Costs to access or obtain them are not eligible for discount.</p>	<p>Not Eligible</p>

Direct Inward Dialing	Direct Inward Dialing (DID) service, which allows outside calls to be directed to a Private Branch Exchange station line without the use of an operator, is eligible for discount.	
Directory Advertising	Directory Advertising is advertising in a telephone directory yellow pages, Internet, or elsewhere. This may be provided by the telephone company or another entity. The cost associated with directory advertising is not a Telecommunications Service and not eligible for discount.	Not Eligible
Directory Assistance Charges	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 and are considered an eligible Telecommunications Service.	
Directory Listing	Additional – Unlisted – Non-Published – Bold 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. Additional listings are those in addition to the initial telephone listing. Fees for an additional directory listing, an unlisted number, an unpublished number, and a bolded listing are not eligible for discount.	Not Eligible
Distance Learning Circuits	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. 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.	
Fax Machine Line	A fax machine telephone line is a telecommunications line specifically dedicated to a school or library's fax machine. A fax machine line is eligible for discount.	
Frame Relay Service	Frame Relay is a digital transmission service. Leased data circuits that connect an eligible school or library facility to other locations beyond the school or library are eligible for discount. See the Special Eligibility Condition for Digital Transmission Services for further information.	
Homework Hotline Service	A Homework Hotline Service is typically provided as a toll free telephone number for students to contact the school regarding questions on homework. 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>Inside Wire Maintenance Plan</p>	<p>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, and is eligible if clearly ancillary to such telecommunications service.</p> <p>An inside wire maintenance plan that does not meet these conditions may be eligible in the 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 TV (Television)</p>	<p>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.</p> <p>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 special "set-top box" to be added to the existing television set.</p> <p>A digital transmission service that provides Interactive TV is eligible for discount, provided that the service does not include its own content. For further information, see the Special Eligibility Condition for Digital Transmission Services.</p>	
<p>Internet2</p>	<p>Internet2 is a consortium of universities, industry, and government for development and deployment of advanced network applications and technologies. 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>Local telephone companies use several methods to bill for local wireline service, such as Flat Rate, Message Rate, Measured Rate, and Local Measured Service. All of these are eligible Telecommunications Services.</p>	
<p>Long Distance Telephone Service</p>	<p>Long Distance Telephone Service is provided by interexchange carriers, and provides telephone service outside of a local calling area. Long Distance Service and associated charges are eligible for discount.</p>	
<p>Message Rate Service</p>	<p>See Local Measured Service.</p>	
<p>Metropolitan Area Network (MAN)</p>	<p>Metropolitan Area Network (MAN) is a data network designed for a town or city. In terms of the "E-Rate" program, a MAN and WAN are considered the same. See the listing for Wide Area Network in this section.</p>	

<p>Network Access Register</p>	<p>Used with Centrex service, the Network Access Register (NAR) serves the same 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.</p> <p>NARs also may be used in conjunction with other eligible telecommunications services such as Network Access Service and Network Access Register Usage Package. Network Access Registers are eligible for discount.</p>	
<p>Paging Service</p>	<p>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>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. For further information, see the Special Eligibility Condition for Eligible Users and Locations.</p> <p>The cost of pagers (also known as beepers), paging equipment, and maintenance of these products is not eligible for discount.</p>	
<p>Payphone Telephone Service</p>	<p>Coin telephone service is provided in a public, or semi-public, place and which 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. Coin telephone or payphone service allows the caller to pay for the call in a number of ways, including prepaid, collect and third party billed. Both the payphone service and the cost of the actual payphones are ineligible for discount.</p>	<p>Not Eligible</p>
<p>Permanent Virtual Circuit (PVC)</p>	<p>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. As a Telecommunications Service, the cost of PVCs is eligible for discount.</p>	
<p>Personal Communications Service (PCS)</p>	<p>Personal Communications Service (PCS) is an advanced wireless network architecture similar to Cellular Service, and the same eligibility conditions apply. See the description of Cellular Service for further information.</p>	
<p>Phone Calling Cards</p>	<p>Telephone Calling Cards provide a convenient means to make long distance calls from any phone.</p> <p>Calling cards associated with an eligible service, with auditable tracking of long distance calls, and used for eligible purposes, are eligible for discount. Because prepaid calling cards do not supply a record of calls made, they are not eligible for discount.</p>	

<p>PIC Change Charge</p>	<p>The PIC, or Primary Interexchange Carrier, is the long distance company 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.</p> <p>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>The PIC Change Charge is eligible for discount.</p>	
<p>POTS</p>	<p>"POTS" stands for "Plain Old Telephone Service."</p> <p>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> <p>See the entry for Telephone Service for further eligibility information.</p>	
<p>Radio Loop</p>	<p>Radio Loop is provided by a local exchange telecommunications carrier and is 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. When used as a means of providing an otherwise eligible Telecommunications Service it is eligible for discounts.</p>	
<p>Residential Telephone Service</p>	<p>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>	
<p>Satellite Service</p>	<p>Satellite service that provides a telecommunications service is eligible for discount, as listed in the entry for Digital Transmission Services. See also the entry for Wireless Wide Area Network for information about satellite dishes.</p> <p>Satellite communication that provides a broadcast service is not eligible.</p>	
<p>Shared Telephone Service</p>	<p>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; only that portion of the service relating to the school would be eligible.</p>	
<p>Telephone Service</p>	<p>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. Telephone service is eligible.</p> <p>See the Special Eligibility Conditions for Telephone Service and Technology Plans and for Eligible Users and Locations. Also see the entries in this list for POTS, Long Distance Telephone Service, Cellular Service, and Personal Communications Service (PCS).</p>	

Toll Charges	See Long Distance Service and Charges.	
Trunk	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. Lease costs to provide trunk services are eligible for funding.	
Unlisted Number	See the entry for Directory Listing.	Not Eligible
Video Services	See the entry for Digital Transmission Services.	
Wide Area Network (WAN) Services	<p>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.</p> <p>The provision of a wide area network communication service, irrespective of technology, when provided on a common carrier basis, is an eligible Telecommunications Service. 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. See the Special Eligibility Condition "WAN Versus LAN Components" for further information.</p> <p>For further information about the eligibility of Wide Area Networks, see the Special Eligibility Condition "Lease of Wide Area Network Infrastructure."</p>	
Wireless Wide Area Network	<p>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>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 same functionality as cabling, and are therefore eligible. For further information, see the Special Eligibility Condition for Wireless Components.</p> <p>For information about wireless <u>Local</u> Area Networks, see the entries in the Internal Connections section of this document.</p>	

INTERNET ACCESS

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.

SERVICE	ELEMENT/DESCRIPTION	ELIGIBILITY
Internet Access	<p>“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.</p> <p>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>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 Ancillary Use. See also the Special Eligibility Condition for Internet Access with Ineligible Features.</p>	
Broadband Internet Access	<p>An integrated information service that provides high speed transmission through T-1 lines, DSL, Frame Relay, cable modems, wireless facilities, or other technologies 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	Cable modem service provides a high-speed data path over TV coaxial cable. 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. <i>Brand X Internet Serv. v. Fed. Comm. Comm'n</i> , No. 02-70518, slip op. (9th Cir., Oct. 6, 2003)(<u>per curiam</u>).	
Caching Service	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. Caching service is not eligible. However, applicants may request funding for Internet Access with a caching feature included if the feature meets the limitations given in the Special Eligibility Condition for Ancillary Use. See also the Special Eligibility Condition for Internet Access with Ineligible Features.	Not Eligible
Digital Subscriber Line (DSL) Internet Access	Digital Subscriber Line (DSL)-based Internet access provides a high-speed data path over wireline telephone facilities. This offering is eligible for funding as Internet access if it is the most cost effective way of accessing the Internet.	
Domain Name Registration	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 domain name is xyz.org. Domain Name Registration is the registering of the name and the charge associated with the registration process. Domain Name Registration is eligible for discount.	
Electronic Library / On-Line Public Access Catalog System	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.	Not Eligible
E-Mail Account Fees	E-Mail account fees are charges for individual user access to e-mail services. E-Mail account fees are eligible.	
E-Mail Service	E-Mail Service, which provides for the transmission of simple text messages and other embedded data, is eligible for discount.	
Filtering Service	Filtering is software or 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. Filtering is not eligible for discount, whether as a service or if purchased software. However, applicants may request funding for Internet Access with a filtering service included if the feature meets the limitations given in the Special Eligibility Condition for Ancillary Use. See also the Special Eligibility Condition for Internet Access with Ineligible Features.	Not Eligible

Firewall Service	A firewall service may be funded as a part of Internet access because a firewall is necessary to ensure continued operation of the network. (Effective for Fund Year 2004 and later years.)	
GSP Rates	GSP is short for Global Service Provider. The GSP provides connection between the ISP network and the global Internet network. There may be separate charges for this component of Internet access and such charges are eligible if the total price of Internet access, including this component, is the most cost-effective means for obtaining access.	
Internet Content	<p>Internet content that is available at extra cost is not considered "basic conduit access" to the Internet. Examples include 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>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. 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. See also the Special Eligibility Condition for Internet Access with Ineligible Features.</p>	Not Eligible
Internet Training	Internet training provided for personnel is ineligible.	Not Eligible
Internet2	<p>Internet2 is a consortium of universities, industry, and government for development and deployment of advanced network applications and technologies. Membership dues or any fees for access to content are not eligible for discount.</p> <p>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.</p>	Not Eligible
Specialized Services	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.	Not Eligible
Web Casting	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. There is usually a charge for this service and the charge is not eligible for discount under the E-Rate program.	Not Eligible

Web Hosting	Web Hosting is an Internet service provided by an Internet Service Provider. The ISP will host a school or library's website (www.schoolname.org) as part of the ISP bundled service offering, or as an optional service. 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. (Effective for Fund Year 2004 and later years.)	
Web Site Creation Fee	A separate fee for creating a website or setting up a web address. This service is not eligible.	Not Eligible
Wide Area Network	<p>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. 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.</p> <p>Charges for Internet access may include the cost of leasing on-premise WAN facilities if certain limited conditions are met. See the Special Eligibility Condition "WAN Versus LAN Components" for further information. For additional information about the eligibility of Wide Area Networks, see the Special Eligibility Condition "Lease of Wide Area Network Infrastructure."</p>	
Wireless Internet Access	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. For further information, see the Special Eligibility Condition for Wireless Components.	

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.”

SERVICE	ELEMENT/DESCRIPTION	ELIGIBILITY
Access Point	<p>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. Note that eligibility is based on Internal Connections, i.e., use in a LAN (not a WAN) environment.</p> <p>An access point provides for wireless networks what cabling provides for wired networks. Therefore, access points are "an essential element in the 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.</p>	
Antenna	<p>An antenna is a device for transmitting and/or receiving radio frequency signals. 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. (Effective for Fund Year 2004 and later years.)</p> <p>Antennas used for the receipt of over-the-air radio and television broadcast signals, or radio signals from cable television operators, are not eligible.</p> <p>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>	

Asbestos Removal	The cost incurred in the removal of asbestos is not eligible for discount.	Not Eligible
Attendant Console, PBX/Centrex	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 attendant console may include Direct Station Selection (DSS), which provides an easy means for transferring calls. One console, with or without Direct Station Selection, qualifies for discount with each eligible PBX or Centrex system.	
Automatic Call Distribution System (ACD)	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.	Not Eligible
Automatic Route Selection (ARS)	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. The cost of the equipment required to provide ARS is eligible for discount.	
Battery Backup	See the entry for Uninterruptible Power Supply.	
Broadcast / Cable Equipment	Broadcast / cable equipment applies to equipment used in the transmission or receipt of broadcast TV, broadcast radio, or cable television service. This includes head-end equipment that is located at the originating point for signals in a cable TV system. 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.	
Cabinets	A cabinet is an enclosure for equipment, terminating cables, connection devices and/or wires. A cabinet is eligible only to the extent that the contained equipment is eligible.	
Cable Modem	A cable modem is a modem designed for use on a TV coaxial cable circuit, and provides a high-speed data path. If used to provide Internet Access, cable modems are eligible. If used for cable TV service, they are not eligible.	
Cabling	See Wiring, Internal	

Caching Components	Caching is a method that stores recently accessed information, so that it can be displayed more quickly if required again. 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. However, applicants may request funding for eligible products with a caching feature included if the limited conditions given in the Special Eligibility Condition for Ancillary Use are met.	
Call Accounting Systems	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. 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.	Not Eligible
Call Sequencer	A Call Sequencer, also called 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. 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.	Not Eligible
Camera	A camera is a device for taking visual pictures, either still or moving. End user equipment is not eligible. Equipment used in the creation or display of content is not eligible.	Not Eligible
Cartridge Magnetic Tape	Cartridge Magnetic Tape, which holds a magnetic tape of some type, is an expendable item and is not eligible for discounts.	Not Eligible
CD Tower	CD ROM Towers are multi-bay CD ROM storage devices used to provide access to content stored on CD ROM discs. Provided in a wide variety of speeds and capacities, CD ROM Towers, when used with network servers, offer schools and libraries access to large volumes of data. CD Towers are not eligible for discount.	Not Eligible
Channel Service Unit /Data Service Unit (CSU/DSU)	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. 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.	
Circuit Card	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. 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.	

Client Access Licenses	A Client Access License is a software licensing approach used by some vendors, and provides authorization to access a software product. Client Access Licenses that provide access to eligible software are in turn eligible. For example, Client Access Licenses for a network operating system are eligible. Client Access Licenses for word processing or spreadsheet software are not eligible.	
CODEC / Video Encoder	A CODEC (“coder/decoder”) 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. A CODEC is eligible for discount.	
Communications Server	See the entry for Remote Access Components.	
Conduit / Raceway	Conduit and raceway are metal or plastic pipe used to protect cable. They are eligible if used as a means for housing eligible internal connections cabling. Conduit used for electrical wiring is not eligible for discount. If conduit has a mixed use, such as for both electrical wiring and network cabling, cost of the ineligible portion must be excluded.	
Connector	A device that electrically connects wires or fibers in cable to equipment, or other wires or fibers. Connectors for eligible cabling or equipment are eligible.	
Consumables	Miscellaneous components such as tape, splicing materials, labels, and wire wrap 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.	
Coupler	The coupler is a passive device that accepts one input broadband signal and replicates it onto two or more outputs. If the coupler is part of the installation of eligible coax cable, then the coupler is eligible for discounts. If a part of installation of cable television service, the coupler is not eligible for discounts.	
Digital Video Disc Digital Versatile Disk (DVD)	The acronym “DVD” stands synonymously for both Digital Video Disk and Digital Versatile Disk. DVDs are optical storage devices similar to CD-ROM discs but able to store much more music, video and data. DVD media is not eligible for discount.	Not Eligible
Digital Video – Read Only Memory Player	A Digital Video Disc - Read Only Memory or DVD-ROM Player or drive is a device, which plays or reproduces the music, voice and/or video from a Digital Video Disc. It is not eligible for discount. However, a DVD-ROM player 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. For further information, see the Special Eligibility Condition for Ancillary Use.	Not Eligible

Disaster Recovery	Disaster Recovery, which describes the means of restoring service to a computer network that has suffered a disaster, is not eligible for discounts. Such costs may include the rental of a site that houses links and equipment that is modeled after the network.	Not Eligible
Documentation	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. Basic documentation is eligible for discount if provided as part of the purchase or installation of eligible equipment or eligible services.	
E911 Reader Board	The E911 Reader Board is adjunct hardware for a PBX and used to access E911 Emergency service. An E911 Reader Board is eligible.	
Edge Device	An 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. Edge Devices are eligible for discount.	
Electrical System Upgrades	The addition of electrical circuits and outlets to accommodate the addition of network computer hardware is not eligible. However, a power adapter that converts wall power to a different voltage required for operation of an eligible component can be funded as part of the purchase price of the eligible component.	
Enhanced Multimedia Interface (EMMI)	See the description for EMMI in the entry for Video Equipment in this section.	
Environmental Monitoring Card/Meter	The Environmental Monitoring Card is an uninterruptible power supply card used to monitor the environmental conditions in rack, computer room, and data center environments. It is used in climate control and is not a component of Internal Connections used to deliver information to the classroom. The Environmental Monitoring Card/Meter is not eligible for discount.	Not Eligible
Faceplate	A cover that fits around pushbutton or rotary dial phones is not eligible. Faceplates for electrical outlets are ineligible. A cover over an eligible communications jack or outlet is eligible.	
Fax Machine	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.	Not Eligible

<p>File Server</p>	<p>A server, or file server, is a shared computer on a local area network.</p> <p>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.</p> <p>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.</p> <p>Eligible servers may be used in the following capacities.</p> <ul style="list-style-type: none"> DHCP Server Domain Name Server E-Mail Server Firewall Server Terminal Server <p>Ineligible uses include:</p> <ul style="list-style-type: none"> Archive or Data Warehouse Server, including a server for storing end user files Application Server, including provision of application software to end users Database Server <p>Additional ineligible uses include:</p> <ul style="list-style-type: none"> Caching Server Print Server Proxy Server <p>(These servers may not be dedicated to ineligible uses, but may provide such features coincidentally if they are included with core network operating system software.)</p> <p>A Web server used to transmit information to users of the Internet is eligible for discount. A Web server used to provide substantial 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.</p> <p>A Remote Access Server (also called a Communications Server) is conditionally eligible. See the heading "Remote Access Components" for further information.</p> <p>Funding requests must provide sufficient information for the SLD to understand the use(s) for file servers proposed. Examples: "File server" is not sufficiently specific; "file server used exclusively for e-mail" would be sufficiently specific.</p> <p>Servers that provide a combination of eligible and ineligible functionality may be cost-allocated in order to obtain discounts for the eligible portion. See the Special Eligibility Condition for "Cost Allocation for File Servers" for further information.</p>	<p>Not Eligible</p> <p>Not Eligible</p> <p>Not Eligible</p> <p>Not Eligible</p> <p>Not Eligible</p> <p>Not Eligible</p> <p>Not Eligible</p> <p>Not Eligible</p>
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Firewall	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 intrusions. A firewall is necessary to ensure operation of the network, and is eligible for discount. (Effective for Fund Year 2004 and later years.)	
FRAD	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. FRADs are eligible for discount.	
Graphics Cards / Adapters	A Graphics Card, Graphics Adapter or Video Adapter is a circuit board fitted to a computer, containing the necessary video memory and other electronics to provide a bitmap display. Graphics Cards are eligible for discount so long as they are a component of an eligible server. Graphics Cards used in workstations or end user PCs are ineligible for discount.	
Hard Disk Drive	Hard disk drives, including arrays of multiple drives, are eligible for discount if used with an eligible component such as a 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 personal computers on a network. See the entry Storage Products for additional information.	
Head-End Equipment	Head-End Equipment is located at the originating point for signals in cable TV systems, and is not eligible for discounts.	Not Eligible
Homework Hotline Equipment	Equipment used to provide Homework Hotline, including text to voice translation modules, recording devices, automatic dialers, automatic call directors and others are not eligible for discount. See also the entry for Homework Hotline Service in the Telecommunications Services section of this document.	Not Eligible
Hub	Hubs are devices that serve as the control point for system activity, management and growth. A central connection point, hubs are standard terminology for a device with multiple ports that connects multiple computers in a network, and are eligible for discount.	
Intercom System	An Intercom System that is a stand-alone system, and not provided as an integral part of a PBX, Centrex or key system, is not eligible for discount.	Not Eligible
Key System KSU	Key System, also known as Com Key System, 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. A Key System is eligible for discount.	
Laptop Computer	A laptop computer is a lightweight portable computer designed for mobility. 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.	
Lightning Arrestor	Lightning Arrestor, which protects computer equipment from lightning and static, is not eligible for discounts.	Not Eligible

Local Area Network (LAN)	<p>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. There is a rebuttable presumption that a network that crosses a public right-of-way is not an eligible Local Area Network. See also the Special Eligibility Condition for WAN Versus LAN Components.</p> <p>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>	
Maintenance and Technical Support	<p>“Technical support” is the assistance of a vendor-provided technician. This support may include the installation, maintenance, and changes to various eligible services and equipment under contract. “Maintenance” involves the repair, replacement, or reconfiguration of eligible components.</p> <p>Basic maintenance services are eligible if they are a component of a maintenance agreement/contract for an eligible service or product, and these maintenance services are cost effective. The agreement or contract must specifically identify the eligible products or service covered, including product name, model number, and location. Only services that are necessary to ensure that the network is capable of transmitting information to the school or library are eligible. End user support is not eligible. Network management services, such as monitoring of bandwidth usage, are not eligible.</p>	
Mast	A mast is a structure, or pole, on which an antenna is placed. Typically, it is a tall, vertical pole. Masts are eligible for discount as Internal Connections if necessary to support a Local Area Network.	
Media Converter	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 as fiber, coax, or twisted pair. Media converters are eligible when used with eligible products or services.	
Memory Module / Random Access Memory (RAM)	Random Access Memory (RAM) is the electronic holding place for instructions and data that a computer’s microprocessor can reach quickly. Common types are SIMM, DIMM, RDRAM, and SDRAM. RAM chips are eligible if installed as a component of an eligible product.	
Monitors	When used with an eligible server, one computer monitor per server is eligible for discount. Monitors used for workstations or other ineligible equipment are not eligible.	
Multimedia Kit	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. Multimedia Kits include content and/or are installed as end user equipment, and therefore are not eligible for discount.	Not Eligible

Multiple-feature Equipment	<p>Some equipment may contain both eligible and ineligible components, such as both a video codec (eligible) and a camera (not eligible). 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 Conditions for Cost Allocation and for Ancillary Use.</p>	
Multiplexer	<p>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 circuit.</p> <p>If provided as part of internal connections for a local area network, a multiplexer is eligible.</p>	
Network Interface Card (NIC)	<p>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>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. (Effective for Fund Year 2004 and later years.)</p>	
Network Interface Device (NID)	<p>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>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, 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>	
Network Management	<p>Network Management is a system of equipment or software used in monitoring, controlling, and managing a communications network. Network management software, services, and equipment are not eligible for discount.</p>	Not Eligible
Network Switches	<p>A switch is a mechanical or electronic device that completes or breaks an electrical path, or selects the paths for communication. More specifically, data 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. Switches are eligible for discount.</p>	

Pager	<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. The purchase, lease, or maintenance of pagers is not eligible for discount.</p> <p>A Paging Service may be eligible as a Telecommunications Service. See Paging Service in the Telecommunications Services section of this document.</p>	Not Eligible
PC Attendant Console	<p>The PC Attendant Console is an electronic PC (computer) based console used in support of, or in place of, a PBX system. The Console provides the capabilities and features of other attendant consoles, such as call transfers, answer button with queuing, emergency call priority, call waiting count, busy lamp field and many others.</p> <p>One Console qualifies for discount with each PBX, or in place of a PBX system, whether PC Attendant or another type.</p>	
Personal Computer	<p>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>	Not Eligible
Personal Digital Assistant	<p>Personal Digital Assistant (PDA) is a handheld device that can combine computing, telephone/fax, and networking features.</p> <p>PDA's are end user equipment that do not meet the definition of eligible Internal Connections, and therefore are ineligible for discount.</p>	Not Eligible
Phone Modem	<p>Phone modems are devices that convert data signals into suitable form for transmission and receipt over a telephone line.</p> <p>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>	
Power Poles	<p>Power poles are metal or plastic pipes or poles used to carry wire from the ceiling to the floor level. Power poles have the same eligibility conditions as given in the description for Conduit/Raceway in this section.</p>	
Power Strips	<p>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). Power strips are electrical devices ineligible for discount.</p> <p>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.</p>	Not Eligible
Printer	<p>A device that receives computer information and prints it on paper. Printers are not eligible for discount.</p>	Not Eligible

<p>Private Branch Exchange (PBX) (wired & wireless)</p>	<p>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>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 E911 cards, 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. See the Special Eligibility Conditions for Cost Allocation and for Ancillary Use for further information.</p>	
<p>Processor Terminator Card</p>	<p>The Processor Terminator Card is a device installed in a computer and used to signal the computer that only one processor is installed in a system permitting multiple processors. Systems permitting multiple processors must be equipped with a redundant processor or a Processor Terminator Card. The Processor Terminator Card is eligible if installed in an eligible server.</p>	
<p>Proxy Server</p>	<p>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 communication is passed through, to and from the trusted clients. 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 proxy server functionality is provided by the core network operating system. For further information, see the Special Eligibility Conditions for Ancillary Use and for Network File Servers. In addition, a file server used for a combination of eligible and ineligible functions can be cost allocated. See the Special Eligibility Condition for Cost Allocation of File Servers.</p>	<p>Not Eligible</p>
<p>Public Address (P.A.) System</p>	<p>A Public Address system allows the user to make announcements through the use of amplifiers and speakers. 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>	<p>Not Eligible</p>
<p>PVBX</p>	<p>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. 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>	
<p>Raceway</p>	<p>See Conduit.</p>	
<p>Racks</p>	<p>A rack is a metal supporting framework for mounting cables, equipment or wires. A rack is eligible only to the extent that the supported equipment is eligible.</p>	

RAID	Short for Redundant Array of Independent Disks, RAID is a category of disk that employs two or more drives in combination for fault tolerance and performance. RAID disk drives are eligible only if used in an eligible component, for an eligible use. See the entries for Hard Disk Drive and Storage Products.	
Relay I/O Module	A Relay I/O Module is an interface that establishes Uninterruptible Power Supply (UPS) protection to equipment that has not been pre-designed for a UPS interface. The Relay I/O Module is only eligible if provided as part of an eligible component.	
Remote Access Components	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. 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."	
Routers	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. A router and the core router operating system are eligible for discount when used for an eligible purpose. Some 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. See the Special Eligibility Conditions for Cost Allocation and for Ancillary Use for further information.	
Satellite Dishes	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 leased satellite dishes may be provided as a part of an eligible 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.	Not Eligible

Serial Cards	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. 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.	
Software	<p><u>E-mail Software</u> – 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 fully ineligible, unless the ineligible portions are cost allocated. See the Special Eligibility Condition for Cost Allocation for further information.</p> <p><u>Operational Software</u> – 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. See the Special Eligibility Condition for Cost Allocation for further information.</p> <p><u>Application Software</u> – Software such as word processor, spreadsheet, graphics programs, etc. that is accessed directly by end-users is not eligible for discount.</p>	Not Eligible
Spare Parts	Spare parts are components on hand to replace hardware that fails. Spare parts are not eligible.	Not Eligible
Speakerphone	A speakerphone is a telephone, or telephone adjunct, which has a speaker and microphone for two-way hands free conversation.	Not Eligible
Speakers	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.	Not Eligible
Station Message Detail Recording	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. SMDR is not eligible for discount.	Not Eligible
Storage Media	Storage media include products such as cartridge magnetic tape and floppy disks, and provide replaceable storage. Storage media are considered to be consumable products that are not eligible.	Not Eligible

Storage Products	<p>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. 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>Data storage products in an eligible file server would be eligible when used to store the following information:</p> <ul style="list-style-type: none"> Network operating system files and functions, when the associated file server is used for an eligible purpose Software that facilitates Internet connectivity, e.g., <ul style="list-style-type: none"> Domain Name Service (DNS) software Dynamic Host Configuration Protocol (DHCP) software Web server software and files, except as excluded below E-mail software E-mail files <p>Data storage products in a file server, and the file server itself, would be ineligible when used to store the following information:</p> <ul style="list-style-type: none"> End user files other than e-mail Application software and data files Database software and files Caching of information from the Internet or a Wide Area Network Archival software and files <p>Storage products that provide a combination of eligible and ineligible functionality are fully ineligible, unless they are able to be cost-allocated. See the Special Eligibility Conditions for Cost Allocation and for Ancillary Use for further information.</p>	
Surge Protector	See the entry for Power Strip in this section.	Not Eligible
Switchboard	See the entry for Attendant Console, PBX/Centrex in this section.	
System Improvements and Upgrades	Improvements/upgrades to eligible services are eligible for discounts. Memory upgrades, for example, to eligible file servers are eligible, but would not be eligible in end user workstations.	
Tape Backup	<p>Tape Backup units, including technologies such as QIC, DAT, 8mm, DLT, AIT, and ADR, are eligible when used as part of an eligible server. They are not eligible when part of a PC, or workstation.</p> <p>A cartridge included with a tape backup unit 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>	
Telephone, Telephone Instruments	Telephones, also known as telephone sets, telephone instruments, digital voice terminals, and voice terminals are the end user equipment used to transmit and receive communications. Telephones are not eligible for discount.	Not Eligible

Terminal Adapter	The Terminal adapter (TA) is a device that connects a computer to an external digital communications line, such as an ISDN line. Terminal adapters are eligible if used to connect to an eligible digital transmission service.	
Test Equipment	Test Equipment is used to test hardware software, cable continuity, telecommunications links, etc. Test equipment is not eligible.	Not Eligible
Transceiver	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. A separate transceiver is eligible for discount.	
TX to FX Converter	The TX to FX Converter is a cable converter that converts copper connection to a fiber connection, and is eligible for discount.	
Uninterruptible Power Supply (UPS)	An Uninterruptible Power Supply is a device that provides backup electric energy to a piece of equipment in the event of a power failure. 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, is eligible if used for eligible equipment. A UPS system used as protection for both eligible and ineligible components must be cost allocated. See the Special Eligibility Condition for Cost Allocation. In addition, funding will not be provided for capacities that can provide continued electrical power for substantial periods in excess of that necessary for basic power protection.	
Video Equipment	<p><u>Enhanced Multimedia Interface (EMMI)</u> The EMMI is an interface that gives PC and workstation users on ATM networks the ability to send and receive full-motion, high quality video, CD-quality stereo and high-speed data. Signals are transformed into ATM cells and transported optically, using the Synchronous Optical Network (SONET) standard. EMMI is eligible for discount.</p> <p><u>Master Control Unit</u> A Master Control Unit (MCU) is a device that controls the main operating functions of a video system. An MCU is eligible for discount.</p> <p><u>MPEG Video Encoder</u> MPEG Video Encoder is a device similar to a CODEC that converts analog signals to compressed MPEG. See the entry for CODEC for eligibility conditions.</p> <p><u>Multipoint Control Unit</u> A Multipoint Control Unit (MCU) is a bridging or switching device used in support of multipoint videoconferencing. It is eligible for discount if used in the transport of information for individual classrooms or publicly accessible rooms of a library.</p> <p style="text-align: right;">(continued on next page)</p>	

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	<p><u>Video Amplifiers</u> Video amplifiers and other video equipment necessary to deliver video services (but not broadcast or cable television) to the classroom are eligible for discount.</p> <p><u>Video Channel Modulator</u> A Video Channel Modulator is a distribution box which takes standard video and audio input from video cameras, recorders, security systems, satellite receivers, disk players and video games and distributes the signals to the end user. It is eligible for discount.</p> <p><u>Video Group & Desktop Equipment</u> Equipment used to control the programming, distribution, and selection of video conferencing or televisions broadcast. It is eligible for discount if used in the transport of information for individual classrooms or publicly accessible rooms of a library, but is ineligible if used in end user equipment.</p> <p><u>End user</u> video equipment is ineligible for discount.</p> <p><u>Media Retrieval Equipment</u> Media retrieval equipment is used to capture and record video signal. The system includes a computer, controller for record and playback function and imaging and system control software. The system acquires, digitizes and records video on disk for future use and viewing. The storage device is generally a computer hard drive. Media Retrieval Equipment is not eligible for discount.</p> <p><u>Television, video monitor</u></p> <p><u>VCR/DVD/CD Players or Recorders</u></p> <p><u>Video Camera</u></p>	<p>Not Eligible</p> <p>Not Eligible</p> <p>Not Eligible</p> <p>Not Eligible</p> <p>Not Eligible</p> <p>Not Eligible</p>
Virtual Private Network (VPN) components	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. Software and/or hardware equipment used for enhanced security features over a Virtual Private Network is not eligible for discount as Internal Connections.	Not Eligible
Voice Compression Module	<p>The Voice Compression Module allows voice and fax traffic to share the same lines as data and LAN traffic.</p> <p>The Voice Compression Module is an eligible component of Internal Connections when it is installed in an eligible component.</p>	
Voice/Fax Network Module	Voice/Fax modules are an access product that enables the transmission of multiprotocol data, voice, fax and LAN over frame relay, leased line, DDS or ISDN services. Voice/Fax modules are eligible when used with eligible equipment.	

Voice Interface Card	Voice interface cards (VIC) are usually components of a router or PBX system that interface with internal systems and the Public Switched Telephone Network, and are eligible for discount. Some examples of VICs are: FXO Cards E&M Cards FXS Cards.	
Voice/video over IP (VoIP)	Otherwise eligible Internal Connections components may include technology for providing real-time or near real-time voice or video over IP (VoIP).	
Web Server	A Web server is a computer file server used to transmit information to users of the Internet, and can also be used to provide web-based software applications and other web-based functions. A web server used to transmit content 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. See the Special Eligibility Condition for Network File Servers for further information about eligible and ineligible functions.	
Wire and Cable Maintenance	The maintenance of internal cabling is eligible for discount as a component of contracted technical support. See the entry for Maintenance and Technical Support for further information.	
Wire Manager	Wire Managers are wire restraints to house/arrange wiring and cabling. They can be aluminum or plastic and may be rack mountable. Wire Managers are eligible when used with eligible wiring/cabling.	
Wiring, Internal	Internal wiring 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.	
Wireless Local Area Network	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.	
Wireless PBX Adjunct	A Wireless PBX Adjunct functions in conjunction with a Private Branch Exchange, to provide wireless capability to the station end, and is eligible for discount.	
Workstation	A Workstation is a personal computer that may operate in a stand-alone environment, or may be connected to a host mainframe computer as part of a network. 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.	Not Eligible

MISCELLANEOUS

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.

SERVICE	ELEMENT/DESCRIPTION	ELIGIBILITY
Broadcast Services	<p>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>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	Change fees for costs incurred in modifying an existing eligible service to another eligible service are eligible.	
Configuration Charges	Charges for the configuration of eligible hardware and software are eligible.	
Construction Costs	Construction costs, e.g., the removal, creation, repair, or replacement of walls and doorways, generally are not eligible. However, construction incidental to component installation, that restores a facility to pre-installation conditions, is eligible. Asbestos removal is not eligible.	
Contingency Fees	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.	
Dark Fiber	<p>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>The FCC has not resolved whether unlit dark fiber is a telecommunications service. Pending resolution of this issue, it is not eligible for funding. (Effective for Fund Year 2004 and later years.)</p>	Not Eligible
Extended Warranty	<p>Extended warranties are those that cover periods of time both within and outside the current funding year. 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.</p> <p>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	Finance or interest charges assessed for loans to fund the lease or purchase of products or services are not eligible.	Not Eligible
Freight Assurance Fees	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. Freight assurance fees are eligible for discount if associated with eligible components.	
Leasing Fees	Leasing fees charged for the use of eligible services and products are eligible. However, any finance charges, associated with leasing or otherwise, are not eligible.	
Per Diem	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. It is 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.	
Performance Bond	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. Performance Bonds are not eligible.	Not Eligible
Programming Charges	Creation of customized software through the programming of computer code is ineligible.	Not Eligible
Shipping Charges	Shipping Charges are the charges associated with the delivery of products from their point of origin to the customer premises. Shipping Charges are eligible for discount when they are for the delivery of eligible products or services.	
Taxes, Surcharges and Other Similar Charges	Federal taxes, state taxes, and other similar, reasonable charges incurred in obtaining eligible Telecommunications Services, Internet access and internal connections are eligible.	
Technical Services	<p>Technical services provide service provider expertise for the implementation of technology.</p> <p>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.</p> <p>For further information, see the Special Eligibility Condition for Technical Services, which has additional information about eligibility of costs for Design & Engineering, Installation, Maintenance & Technical Support, Project Management, Training, Consulting Services, and Personnel Costs.</p>	

Termination Charges	Charges for termination liability or other charges not involved with obtaining or initiating eligible services are not eligible.	Not Eligible
Travel Time	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.	
Two Way Radio	Two-way radios are wireless end-user devices used to communicate generally over short distances. Two-way radios are not used to provide Telecommunications Services, and do not meet the definition of an eligible Internal Connections.	Not Eligible
Video Services	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.	
Voice Mail Service	<p>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>Voice mail services provided for one or more telephone lines are eligible for discount. Voice mail service need not be provided by an eligible telecommunications provider to be eligible. 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> <p>(Effective for Fund Year 2004 and later years.)</p>	
Voice over IP (VoIP) Service	The Federal Communications Commission has not determined whether Voice over IP (VoIP) is a telecommunications service or an application provided over an unregulated information service. Pending resolution of this issue, VoIP service is not eligible for funding. (Effective for Fund Year 2004 and later years.)	Not Eligible

Special Eligibility Conditions

Ancillary Use

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, 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.

The following conditions are considered when evaluating whether ineligible functionality is ancillary:

- The package must represent the most cost-effective bid for the eligible product or service.
- The consideration of cost-effectiveness must be made without considering ineligible features.
- The package is a standard product offering that includes the ineligible features as an integral, intrinsic part, with no separated pricing available.
- The applicant cannot be specifically seeking any of the ineligible components.

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 the SLD web document [Cost Allocation for Products and Services that Contain Eligible and Ineligible Components](#).

Cost Allocation

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.

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 [Cost Allocation for Products and Services that Contain Eligible and Ineligible Components](#) for further information, which additionally describes Ancillary Use, which is funding for components that include ineligible functionality strictly on an ancillary basis.

Cost Allocation for file servers

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 [Cost Allocation Guidelines for File Servers and Other Components](#).

Digital Transmission Services

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. 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. 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.

Eligible Users and Locations

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 paging service for teachers on field trips. The term “school or library property” includes a District Office or 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. 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. (Effective for Fund Year 2004 and later years.)

Internet Access with Ineligible Features

Some Internet Access services may include features that are not themselves eligible, such as:

- Specialized content
- Caching services
- 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.

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.

Lease of Wide Area Network infrastructure

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 [Wide Area Network Fact Sheet](#) has full details about exclusive access limitations, amortization requirements, and other eligibility conditions for lease of Wide Area Network functionality.

Network file servers

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. 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. A computer that is used by an end user, even if the computer is configured to provide server functionality, is not eligible for discount.

Software

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 are not eligible. Ineligible software includes application software, developmental software, network management software, operating system software for end user computers, and utility software. The e-mail portion of groupware software is eligible, and cost allocation may be used for discounts on the eligible portion. 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. A computer operated by an end user that is also set up as a network server is considered an ineligible end user computer.

Storage

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. 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. Storage devices on end users computers are not eligible. Devices used to supplement storage requirements of personal computers on a network are not eligible.

Technical Services

Some types of technical services, and their limitations for eligibility, are as follows.

Design and Engineering—Basic design and engineering costs necessary for installation and initial configuration are eligible only if they are coincident (i.e., 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.

Installation—Services tied directly to installation and initial configuration of eligible services and products are eligible; services for planning, architecture design, and other activities not tied directly to actual installation and initial configuration are not eligible.

Maintenance and Technical Support—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.

Only services that are necessary to ensure that the network is capable of transmitting information to the school or library are eligible. End user support is not eligible. Network management services, such as monitoring of bandwidth usage, are not eligible.

Project Management—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.

Training—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.

Consulting Services—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.

Personnel Costs—Labor costs for school and library personnel are not eligible for discount. Costs for contractor personnel to operate components are not eligible.

Telephone Service and Technology Plans

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 have an approved Technology Plan. Applicants applying for other products or services, including PBX, key system, Centrex system, or similar technology are required to have an approved Technology Plan.

Video Components

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. 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. 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. Components used for the display or distribution of broadcast and cable television signals are not eligible.

WAN Versus LAN Components

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 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. In order to determine what may be properly funded as Internal Connections, and what may be properly funded as a Priority 1 Services (Telecommunications and Internet Access), 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 [On-premise Priority 1 Equipment](#).

Wireless Components

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.