



# PUBLIC NOTICE

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## RELEASE OF FUNDING YEAR 2007 ELIGIBLE SERVICES LIST FOR SCHOOLS AND LIBRARIES UNIVERSAL SERVICE MECHANISM

### CC Docket No. 02-6

On December 23, 2003, the Commission adopted section 54.522 that formalizes the process for updating the Eligible Services List (ESL) for the schools and libraries universal service support mechanism.<sup>1</sup> Specifically, section 54.522 requires the Commission to seek comment on the Universal Service Administrative Company's (USAC) proposed eligible services list and issue a Public Notice attaching the final ESL for the upcoming funding year at least 60 days prior to the opening of the funding window for the schools and libraries program.<sup>2</sup>

Accordingly, on July 21, 2006, pursuant to the Commission's rules, the Commission released a Public Notice (FCC 06-109) seeking comment on USAC's proposed ESL for Funding Year 2007, pursuant to the Commission's rules.<sup>3</sup> The Commission now releases the attached Funding Year 2007 ESL for the schools and libraries universal service support mechanism. Section 54.522 requires the Commission to issue a public notice attaching the final eligible services list for the upcoming funding year at least 60 days prior to the opening of the funding window for the schools and libraries program.<sup>4</sup> Under this timeframe, the Administrator of the schools and libraries universal service support mechanism (the Universal Service Administrative Company or USAC) would need to wait 60 days after the Commission releases a final ESL for funding year 2007, before it could open the funding window for funding year 2007. To facilitate the application process for funding year 2007, we authorize USAC to open the annual application filing window on November 14, 2006. We therefore waive on our own motion section 54.522 of the Commission's rules requiring publication of the ESL at least 60 days prior to the commencement of the filing window.<sup>5</sup> We conclude that this action will facilitate the application process for E-rate beneficiaries applying for monies for funding year 2007.

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

<sup>2</sup> 47 C.F.R. § 54.522.

<sup>3</sup> See *Pleading Cycle Established for Eligible Services List for Universal Service Mechanism for Schools and Libraries*, CC Docket No. 96-45, FCC 06-109, Public Notice (rel. Jul. 21, 2006) (July 21<sup>st</sup> Public Notice).

<sup>4</sup> See 47 C.F.R. § 54.522.

<sup>5</sup> See 47 C.F.R. § 1.3 (providing that the Commission's rules may be waived for good cause).

Some of the major changes that have been made to the Funding Year 2007 ESL are highlighted below:

- **Overall Changes:** We revise the 2007 ESL to make it simpler and shorter yet still providing essential eligibility information about product and service categories. The list includes an index and a new glossary of terms. For consistency and clarity, ineligible services or components that were listed alongside eligible services were moved to separate sections for ineligible services and products. Thus, services that are not eligible for support are listed at the end of each category.
- **Interconnected VoIP:** Interconnected voice over Internet protocol (interconnected VoIP) service has been added to the 2007 ESL as an eligible service.<sup>6</sup> Interconnected VoIP is defined as a service that (1) enables real-time, two-way voice communications; (2) requires a broadband connection from the user's location; (3) requires Internet protocol-compatible customer premises equipment (CPE); and (4) permits users generally to receive calls that originate on the public switched telephone network and to terminate calls to the public switched telephone network.
- **Redundant Components:** We clarify that components that are installed in standby mode, redundant, not active and online, or otherwise not an essential element in the transmission of information within the school or library, are not eligible.
- **Installation and Configuration (Training):** We clarify that as long as training occurs within a reasonable time after installation of eligible components it is coincident with installation.<sup>7</sup>
- **KVM Switch:** KVM switch ("keyboard-video-mouse" switch) has been added to the 2007 ESL as an eligible service.
- **Fees for Universal Service Administration:** We clarify that customer charges for universal service fees are eligible but charges for universal service administration are not eligible.
- **Wireless Internet:** We remove the requirement that an auditable system be in place in order for applicants to receive funding for wireless Internet access service designed for portable devices.<sup>8</sup>

As we stated in the July 21<sup>st</sup> Public Notice, this proceeding is limited to determining what services are eligible under the Commission's current rules and is not intended to be a vehicle for changing any eligibility rules. Therefore, those comments not addressed in the Funding Year 2007 ESL may be more appropriately filed for the Commission's consideration in the general proceeding for the Schools and Libraries Universal Service Support Mechanism in CC Docket No. 02-6. Those comments not addressed may include comments that requested eligibility for new services or products, comments that requested that services or products currently deemed ineligible be made eligible, comments that requested that the Commission take action outside of the scope of this proceeding, or comments that requested that

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<sup>6</sup> See Comments of Nsight 1-2; On-Tech Consulting, Inc. 4.

<sup>7</sup> See, e.g., Comments of IBM Global Services 2, On-Tech Consulting, Inc. 2; E-Rate Service Provider Forum 4.

<sup>8</sup> See Comments and Reply Comments of State E-rate Coordinators Alliance 4; E-Rate Service Provider Forum 3; Tropos Networks 1-6; Sprint Nextel Corporation 2-3; Greg Weisiger 1-2; Kellogg & Sovereign Consulting, LLC 3; Council of the Great City Schools 3-4.

the Commission take action that was not permitted by the short time frame allotted for this proceeding by section 54.522.

For further information, contact Gina Spade, Regina Brown, Cara Voth, or James Bachtell in the Telecommunications Access Policy Division, Wireline Competition Bureau at (202) 418-7400, TTY (202) 418-0484.

Action taken by the Commission on October 19, 2006: Chairman Kevin J. Martin and Commissioners Michael J. Copps, Jonathan S. Adelstein, Deborah Taylor Tate and Robert M. McDowell.

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