



Appendix G: Some General E-Rate Rules for Eligible Products and Services

If you apply for E-rate reimbursements, be sure to check the Eligible Services List at <http://www.usac.org/sl/tools/eligible-services-list.aspx> before you order products or services. Sometimes a particular hub or router is eligible, while a similar product, but a different make and model, is not. E-rate does not fund redundancies — for example, if you need only one server and buy the second server as a backup or “fallback,” E-rate will not fund it.

The eligible services list provides guidance regarding what products and services may be able to receive reimbursements. It is organized by category of service and revised and updated each year in advance of the application window.

Here are some general E-rate rules to consider by funding category.

- **Telecommunication** — USAC funds various types of services. Examples: T-1, Centrex, Local and Long Distance Telephone Service, Cellular Service and Paging Service, but NOT end-user equipment, such as telephone sets.
- **Internet** — USAC funds the basic conduit access to the Internet or services that are an integral component part of basic conduit access. Examples: T-1, DSL, DS-3, wireless service, email server, Web hosting services, but NOT content or design and development of the Web site.
- **Internal Connections** — USAC funds components at the applicant site that are necessary to transport information to the school or library. Examples: Access points, routers, switches, hubs, wiring, PBXs and codecs, but NOT the end-user equipment, such as telephones (including IP telephones) or laptops.
- **Basic Maintenance of Internal Connections** — USAC funds basic maintenance of the internal connections to ensure the necessary and continued operation of eligible internal connection components at eligible locations. Examples: Repair and upkeep of eligible hardware, wire and cable maintenance, but NOT the end-user support, such as a student calling a help desk for technical assistance.
- **LANs and WANs** — A LAN is considered Internal Connections and is funded beginning with the highest poverty level areas. WAN is not considered Internal Connections because it runs from the demarcation point at school or library to a point outside.
- **WAN network facilities may only be leased, not owned, by applicants.** See the *WAN Fact Sheet* for detailed information at <http://www.universalservice.org/sl/applicants/step06/wide-area-network-fact-sheet.aspx>