

## SUMMARY OF PROPOSED CHANGES TO FY 2006 ELIGIBLE SERVICES LIST

- **Removal of the “Administrative Convenience” filing option:** The overall heading to the List includes a paragraph about “...COMBINED PRIORITY 1 SERVICES.” Some applicants mistakenly believe that, for such a combined offering, the Form 470 need not specify Internet access. This has CIPA compliance implications. We propose to remove this “administrative convenience” filing option. Applicants would then need to use a separate FRN for the Internet access portion of a combined service offering. (Page 1)
- **On-premise Wireless Wan Components.** The current List requires that wireless WAN components be part of the Priority 1 service. We propose a change to allow such on-premise components to be requested either as Internal Connections or as part of the Priority 1 service. (Pages 16, 23, 25, 47, 55)
- **Cable Modem Service.** We have clarified cable modem service (no change) after the Supreme Court’s ruling on *Brand X* and have removed references to the court case. (Page 17)
- **Wireless Internet Access.** We have clarified the entry for Wireless Internet Access to indicate that funding is provided for use only from eligible locations. (Page 23)
- **Eligibility for Priority 1 services.** Several entries, such as the entry for Internet Access, have been clarified to be consistent with SLD’s Web Notice of 2-15-05 regarding eligibility for Priority 1 services. (Pages 7, 8, 9, 15,19, 23) (See <http://www.sl.universalservice.org/whatsnew/2005/022005.asp#021505.>)
- **Terminal Servers.** We have created a new entry that better defines when a Terminal Server is eligible. (Page 51)
- **Eligibility of “Security.”** Most network switches and routers now contain Virtual Private Network (VPN) functionality as an integral component. A VPN provides improved security for a data system, and we note that the FCC has been transitioning toward increased eligibility of security features (Firewall was made eligible in Fund Year 2004 and Proxy Server was changed to eligible in 2005.) We propose that the 2006 List make VPN eligible under the concept of “basic and reasonable security protections.” (Page 53)
- **Voice Mail Equipment.** We have added an entry for Voice Mail Equipment in the Internal Connections section of the document, to supplement the existing entry in the Miscellaneous section for Voice Mail Service. (Page 54)
- **Basic Maintenance:** Basic Maintenance has been moved from Internal Connections to its own section in the ESL, consistent with direction from the Third Order. (Page 57)
- **Redundant Components and Duplicative Services.** We have added an entry for Redundant Equipment and Services in the Miscellaneous section to be consistent with our current approach and with FCC policies. It would indicate that we will not fund duplicative services (though substantiated needs related to bandwidth requirements, such as multiple T-1 lines, are acceptable) and that we will not fund redundant equipment (though we would clarify that dual power supplies are acceptable when consistent with equipment design). (Page 61)
- **Taxes & Surcharges.** We suggest modified wording to clarify that E-Rate reimbursements are available for administrative cost recovery charges by the service provider. (Page 62)
- **Ancillary use.** Codifications in the FCC Third Order provide a broader interpretation of what is “ancillary” (as opposed to what must be cost allocated). We have made conforming changes. (Page 64)
- **Certifications and Statements Regarding Eligible Use:** We have drafted a new Special Eligibility Condition that encourages applicants to provide relevant statements or certifications within the Form 471 Item 21 Attachment. (Page 65)
- **Eligible Users & Locations.** The Special Eligibility Condition for “Eligible Users and Locations” has been modified to clarify the distinctions between Priority 1 and Priority 2. (Page 66)