PUBLIC NOTICE

Federal Communications Commission
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WIRELINE COMPETITION BUREAU SEEKS COMMENT ON PROPOSED ELIGIBLE SERVICES LIST FOR THE E-RATE PROGRAM

WC Docket No. 13-184

Comment Date: July 30, 2026
Reply Comment Date: August 14, 2026

The Wireline Competition Bureau (Bureau) pursuant to section 54.502(e) of the Federal Communications Commission's (Commission) rules seeks comment on the proposed funding year (FY) 2027 eligible services list (ESL) for the schools and libraries universal service support mechanism, also known as the E-Rate program.[1]

In the *Funding Year 2026 Eligible Services List Order*, we declined to make any changes to managed internal broadband services (MIBS) in the FY 2026 ESL and noted we would seek additional comment.[2] In the recently adopted *Further Notice of Proposed Rulemaking*, the Commission reiterated its concern about its ability to review the cost-effectiveness of contracts for MIBS and asked whether it should continue to be a supported service within the E-Rate program.[3] In that item, the Commission is seeking "comment, and specific proposals, on how the Commission should define and ensure cost-effective purchasing for these services. For example, should reimbursement for MIBS services be limited to the number of hours worked with the requirement that tickets for work requested/performed and hours worked be included with requests for reimbursement?"[4] The Commission is also seeking comment on "[w]hat information should applicants include in an FCC Form 470 or request for proposal document when requesting MIBS to ensure bidders have sufficient information to submit a responsive bid and applicants can effectively compare bids to select the most cost-effective service offering?"[5] The Commission also asks whether "requiring applicants to compare bids on internal connections directly

[1] *See* 47 CFR § 54.502(e) (detailing the procedures for seeking comment on a draft E-Rate program eligible services list); Attachment, Draft Schools and Libraries Eligible Services List for Funding Year 2027.

[2] *Funding Year 2026 Eligible Services List Order*, WC Docket No. 13-184, Order, DA 25-1069, para. 9 (WCB 2025) (*Funding Year 2026 Eligible Services List Order*); *see also Wireline Competition Bureau Seeks Comment on Proposed Eligible Services List for the E-Rate Program*, WC Docket No. 13-184, Public Notice, DA 25-921 (WCB 2025) (*Funding Year 2026 Eligible Services List Public Notice*).

[3] *Ensuring Children's Safe Use of Screens and E-Rate Funded Services; Modernizing the E-Rate Program for Schools and Libraries, Establishing the Emergency Connectivity Fund to Close the Homework Gap, Promoting Fair and Open Competitive Bidding in the E-Rate Program*; WC Docket Nos. 26-133, et al., Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking, FCC 26-41,at para. 84 (2026) (*Further Notice of Proposed Rulemaking*).

[4] *Id*.

[5] *Id*.

with those of a MIBS bid help safeguard applicants and the E-Rate program from MIBS providers offering contracts at rates that exceed the value of the network itself."[6] Finally, the Commission also asks whether "we limit eligibility of MIBS to schools and libraries of a certain size instead of eliminating it as a supported service?"[7]

In addition to these questions, we also seek comment on how to limit MIBS to ensure it is cost-effective for both the applicant and the E-Rate program. For example, how do we prevent MIBS from being used to augment a school's or library's information technology department or team when a school's or library's staffing costs are ineligible for E-Rate support? How can we ensure ineligible services and equipment are not being bundled with a MIBS service? How can we determine what services are being provided through a MIBS contract and how to limit support to eligible services and equipment? If an applicant owns the internal connections, should the applicant be limited to seeking only basic maintenance of internal connections (BMIC) instead of MIBS for its owned equipment? Given our concerns about the cost-effectiveness of MIBS and ensuring only eligible services and equipment are funded, should the Commission make MIBS ineligible for E-Rate support or otherwise limit support to certain sized schools and libraries? We encourage commenters to file comments related to MIBS in both proceedings under WC Docket Nos. 26-133 and 13-184.

In the *Funding Year 2026 Eligible Services List Order*, we also noted that Lumen Technologies, Inc. (Lumen) had requested clarification on the eligibility of services and equipment stemming from its network-as-a-service (NaaS). Based on our understanding, applicants could receive variable amounts of service throughout the school year with pricing based on actual use instead of being based on a set amount of service for each month. While the FCC Form 471 permits applicants to indicate that a service is burstable, the cost of the service is fixed and the FCC Form 471 does not collect information to request variable amounts of bandwidth for each month and at different prices. We seek comment on whether or how the FCC Forms 470 and 471 could be modified to account for monthly variable services and pricing. What information should applicants include in an FCC Form 470 or request for proposal document when requesting monthly variable services to ensure bidders have sufficient information to submit a responsive bid and applicants can effectively compare the costs of bids for monthly variable services to fixed monthly services? What information should be collected on the FCC forms to allow the Universal Service Administrative Company (USAC) to accurately commit funding for services that will vary each month in amount and cost? Specifically, how would we calculate demand for the program for services with variable costs? What safeguards and limits should we impose on NaaS and other services with variable pricing? Are such variable pricing services likely to lower or raise costs to the Fund? What equipment is needed to provide NasS and other services with variable costs? Should services with variable costs, like NaaS, remain ineligible given the heavy administrative burdens associated with funding this type of services? We seek comment on these questions and the extent to which service providers offer and applicants seek such services.

The Bureau is not proposing any other changes to the draft funding year 2027 ESL. We invite stakeholders to comment on the questions related to MIBS and monthly variable NaaS services. Pursuant to section 1.419 of the Commission's rules,[8] interested parties may file comments on or before July 30, 2026, and reply comments on or before August 14, 2026. All comments are to reference WC Docket Nos. 26-133 and 13-184 and may be filed by paper or by using the Commission's Electronic Comment Filing System (ECFS).

- Electronic Filers: Comments may be filed electronically using the Internet by accessing ECFS: https://www.fcc.gov/ecfs/.

[6] *Id*.

[7] *Id*.

[8] 47 CFR § 1.419.

- Paper Filers: Parties who choose to file by paper must file an original and one copy of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.
    - Filings can be sent by hand or messenger delivery, by commercial courier, or by the U.S. Postal Service. **All filings must be addressed to the Secretary, Federal Communications Commission.**
    - Hand-delivered or messenger-delivered paper filings for the Commission's Secretary are accepted between 8:00 a.m. and 4:00 p.m. by the FCC's mailing contractor at 9050 Junction Drive, Annapolis Junction, MD 20701. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes must be disposed of before entering the building.
    - Commercial courier deliveries (any deliveries not by the U.S. Postal Service) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701.
    - Filings sent by U.S. Postal Service First-Class Mail, Priority Mail, and Priority Mail Express must be sent to 45 L Street NE, Washington, DC 20554.

People with Disabilities. To request materials in accessible formats (braille, large print, electronic files, or audio format), send an e-mail to fcc504@fcc.gov or call the Consumer and Governmental Affairs Bureau at 202-418-0530.

Availability of Documents. Comments, reply comments, and *ex parte* submissions will be publicly available online via ECFS.[9]

Ex Parte Rules. The proceeding this Public Notice initiates shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules.[10] Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda, or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the *ex parte* memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with section 1.1206(b) of the Commission's rules.[11] In proceedings governed by section 1.49(f) of the Commission's rules,[12] or for which the Commission has made available a method of electronic filing, written *ex parte* presentations and memoranda summarizing oral *ex parte* presentations, and all attachments thereto, must be filed through ECFS in the docket available for that proceeding, and must be filed in their native format (e.g., .doc, .xml, .ppt, searchable .pdf). Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules.

[9] Documents will generally be available electronically in ASCII, Microsoft Word, and/or Adobe Acrobat.

[10] 47 CFR §§ 1.1200 *et seq*.

[11] 47 CFR § 1.1206(b).

[12] 47 CFR § 1.49(f).

For further information, please contact Veronica Garcia-Ulloa, Telecommunications Access Policy Division, Wireline Competition Bureau, by email at Veronica.Garcia-Ulloa@fcc.gov or by phone at (202) 418-0481.

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ATTACHMENT

Eligible Services List for Funding Year 2027
Schools and Libraries Universal Service Support Mechanism

WC Docket No. 13-184

The Federal Communications Commission's (FCC) rules provide that all services that are eligible to receive discounts under the Schools and Libraries Universal Service Support Mechanism (otherwise known as the E-Rate program or E-Rate) are listed in this Eligible Services List (ESL). 47 CFR § 54.502(a). The E-Rate program is administered by the Universal Service Administrative Company (USAC). 47 CFR § 54.5. Eligible schools and libraries may seek E-Rate support for eligible Category One telecommunications services, telecommunications, and Internet access, and Category Two internal connections, basic maintenance, and managed internal broadband services as identified herein. 47 CFR §§ 54.500 *et seq*.

Additional guidance from USAC about the E-Rate application process and about eligible services, including a glossary of terms, is available at USAC's website at https://www.usac.org/erate/applicantprocess/before-you-begin/eligible-services-list/. The documents on USAC's website are not incorporated by reference into the ESL and do not bind the Commission. Thus, they will not be used to determine whether a service or product is eligible. Applicants and service providers may refer to those documents, but they should do so only for informal guidance. This ESL applies to funding requests for Funding Year (FY) 2027.

Category One

The first category of supported services, Category One, includes the services needed to support broadband connectivity to schools and libraries. Eligible Category One services are listed in the entries for data transmission and/or Internet access. This category consists of the services that provide broadband to eligible locations including data links that connect multiple points, services used to connect eligible locations to the Internet, and services that provide basic conduit access to the Internet. With the exception of leased dark fiber and self-provisioned broadband networks, maintenance and technical support appropriate to maintain reliable operation are only eligible for support when provided as a component of these services.

Data Transmission and/or Internet Access

Data transmission and/or Internet access services are eligible in Category One. These services include:

- Asynchronous Transfer Mode (ATM)
- Broadband over Power Lines
- Cable Modem
- Digital Subscriber Line (DSL)
- DS-1 (T-1), DS-3 (T-3), and Fractional T-1 or T-3
- Ethernet
- Integrated Services Digital Network (ISDN)
  Note: Dedicated voice channels on an ISDN circuit are no longer eligible.
- Leased Lit Fiber
- Leased Dark Fiber (including dark fiber indefeasible rights of use (IRUs) for a set term)
- Self-Provisioned Broadband Networks (applicant owned and operated networks)
- Frame Relay
- Multi-Protocol Label Switching (MPLS)
- OC-1, OC-3, OC-12, OC-n
- Satellite
- Switched Multimegabit Data Service
- Telephone dial-up
- Wireless (e.g., fixed wireless; microwave)

Notes:

(1) Eligible costs include monthly charges, special construction, installation and activation charges, software, modulating electronics and other equipment necessary to make a Category One wired or wireless broadband service functional ("Network Equipment"), and maintenance and operation charges, including costs for software needed for the operation of or maintenance of Network Equipment. Network Equipment and maintenance and operation costs for existing networks are eligible. All equipment and services, including maintenance and operation, must be competitively bid.

(2) Applicants that seek bids for leased dark fiber must also seek bids for leased lit fiber service and fully consider all responsive bids. Similarly, applicants that seek bids for self -provisioned broadband networks must also seek bids for the needed connectivity via services provided over third-party networks, and fully consider all responsive bids.

(3) Applicants may seek special construction funding for the upfront, non-recurring costs for the deployment of new or upgraded facilities. The eligible components of special construction are construction of network facilities, design and engineering, and project management.

(4) Staff salaries and labor costs for personnel of the applicant or underlying beneficiary are not E-Rate eligible.

(5) Consulting services that are not related to the installation and configuration of the eligible components are not eligible. These include services related to application assistance, program advice, and other activities not tied directly to actual installation and initial configuration of components.

Category Two

The second category of equipment and services eligible for E-Rate support, Category Two, includes the internal connections needed for broadband connectivity within schools and libraries. Support is limited to the internal connections necessary to bring broadband into, and provide it throughout, schools and libraries. These are broadband connections used for educational purposes within, between, or among instructional buildings that comprise a school campus (as defined below in the section titled "Eligibility Explanations for Certain Category One and Category Two Services") or library branch, and basic maintenance of these connections, as well as services that manage and operate owned or leased broadband internal connections (e.g., managed internal broadband services or managed Wi-Fi). Category Two support is subject to district- or library system-wide budgets as set forth in 47 CFR § 54.502. The eligible components and services in Category Two are:

Eligible Broadband Internal Connections

- Antennas, connectors, and related components used for internal broadband connections
- Cabling
- Caching
- Firewall services and firewall components separate from basic firewall protection provided as a standard component of a vendor's Internet access service
- Racks
- Routers
- Switches
- Uninterruptible power supply (UPS)/battery backup
- Access points used in a local area network (LAN) or wireless local area network (WLAN) environment (such as wireless access points)
- Wireless controller systems
- Software supporting the components on this list used to distribute high-speed broadband throughout school buildings and libraries, as well as bug fixes, security patches, and remote technical support or configuration to support associated equipment (applicants should request software in the same category as the associated service being obtained or installed).

Notes:

(1) Functionalities listed above that can be virtualized in the cloud, and equipment that combines eligible functionalities, like routing and switching, are also eligible.
(2) A manufacturer's multi-year warranty for a period up to three years that is provided as an integral part of an eligible component, without a separately identifiable cost, may be included in the cost of the component.
(3) Caching is defined as a method that stores recently accessed information. Caching stores information locally so that the information is accessible more quickly than if transmitted across a network from a distance. A caching service or equipment that provides caching, including servers necessary for the provision of caching, is eligible for funding.
(4) Applicants may request both equipment and the software necessary to use the equipment on the FCC Form 470, or request just the equipment on the FCC Form 470, and still receive support for both the equipment and the software necessary to use the equipment (e.g., right-to use software or client access licenses) by requesting the equipment and software either together or separately on the FCC Form 471.

Eligible Managed Internal Broadband Services

- Services provided by a third party for the operation, management, and monitoring of eligible broadband internal connections are eligible managed internal broadband services (e.g., managed Wi-Fi).
- E-Rate support is limited to eligible expenses or portions of expenses that directly support and are necessary for the broadband connectivity within schools and libraries. Eligible expenses include the management and operation of the LAN/WLAN, including installation, activation, and initial configuration of eligible components and on-site training on the use of eligible equipment.
- In some eligible managed internal broadband services models, the third-party manager owns and installs the equipment and school and library applicants lease the equipment as part of the managed services contract. In other cases, the school or library may own the equipment, but have a third party manage the equipment for it.

Basic Maintenance of Eligible Broadband Internal Connections

E-Rate support is available for basic maintenance and technical support appropriate to maintain reliable operation when provided for eligible broadband internal connections.

The following basic maintenance services are eligible:

- Repair and upkeep of eligible hardware.
- Wire and cable maintenance.
- Configuration changes performed in person, on-site.

Eligibility Limitations for Category Two Services

Eligibility limitations for managed internal broadband services – The equipment eligible for support as part of a managed internal broadband service may include only equipment listed above as broadband internal connections. Upfront charges that are part of a managed service contract are eligible for E-Rate support except to the extent that the upfront charges are for any ineligible internal connections (e.g., servers other than those that are necessary to provide caching), which, if included in the contract, must be cost allocated out of any funding request.

Eligibility limitations for basic maintenance – Basic maintenance is eligible for support only if it is a component of a maintenance agreement or contract for eligible broadband internal connections. The agreement or contract must specifically identify the eligible internal connections covered, including product name, model number, and location. Support for basic maintenance will be paid for the actual work performed under the agreement or contract.

Basic maintenance does not include:

- Services that maintain ineligible equipment
- Upfront estimates that cover the full cost of every piece of eligible equipment
- Services that enhance the utility of equipment beyond the transport of information, or diagnostic services in excess of those necessary to maintain the equipment's ability to transport information
- Network management services, including 24-hour network monitoring
- On-site technical support (i.e., contractor duty station at the applicant site), unless applicants present sufficient evidence of cost-effectiveness
- Unbundled warranties

Eligibility Explanations for Certain Category One and Category Two Services

National Security Supply Chain Restrictions – Equipment or services produced or provided by a company that the FCC has designated as a national security threat to the integrity of communications networks or the communications supply chain are not eligible for E-Rate support. 47 CFR § 54.9(a). In addition, participants are prohibited from using E-Rate support to purchase, rent, lease, or otherwise obtain any covered communications equipment or service, or maintain any covered communications equipment or service previously purchased, rented, leased, or otherwise obtained. 47 CFR § 54.10. A list of covered communications equipment and services can be found on the FCC's website at https://www.fcc.gov/supplychain/coveredlist and will be updated to reflect any future determinations.

Internet access/ISP service – Eligible Internet access services may include features such as basic firewall protection, domain name service, and dynamic host configuration when these features are provided as a standard component of a vendor's Internet access service. Firewall protection that is provided by a vendor other than the Internet access service provider or priced out separately will be considered a Category Two internal connections component. Examples of items that are ineligible components of Internet access services include applications, content, e-mail, and end-user devices and equipment such as computers, laptops, and tablets.

Wireless services and wireless Internet access – Off-campus use of E-Rate-funded services even if used for an educational purpose, is ineligible for support, and must be cost-allocated out of any funding request.

In order for data plans and air cards for mobile devices for use on-campus (e.g., a bookmobile in a state where it is eligible for support as a library) to be eligible, the school or library seeking support must demonstrate that the individual data plans are the most cost-effective option for providing internal broadband access for mobile devices at schools and libraries. Applicants should compare the cost of data plans or air cards for mobile devices to the total cost of all components necessary to deliver connectivity to the end user device, including the cost of data transmission and/or Internet access to the school or library. Seeking support for data plans or air cards for mobile devices for use in a school or library with an existing broadband connection and WLAN implicates the E-Rate program's prohibition on requests for duplicative services.

Managed internal broadband services, such as managed Wi-Fi, are eligible only for Category Two support.

Connections between buildings of a single school – The classification of connections between multiple buildings of a single school is determined by whether the buildings are located on the same campus. A "campus" is defined as the geographically contiguous grounds where the instructional buildings of a single eligible school are located. A single school may have multiple campuses if it has instructional buildings located on grounds that are not geographically contiguous. Different schools located on the same grounds do not comprise a single campus. The portion of the grounds occupied by the instructional buildings for each school is a campus for that school.

- Connections between buildings on different campuses of a single school are considered to be Category One data transmission services.
- Connections between different schools with campuses located on the same property (e.g., an elementary school and middle school located on the same property) are considered to be Category One data transmission services, unless they share the same building.
- Connections between buildings of a single school on the same campus are considered to be Category Two internal connections.

Network equipment with mixed eligibility – On-premises equipment that connects to a Category Two eligible LAN is eligible for Category One support if it is necessary to make a Category One broadband service functional. If the price for components that enable the LAN can be isolated from the price of the components that enable the Category One service, those costs should be cost-allocated out of the Category One funding request.

Miscellaneous

As described below, various miscellaneous services associated with Category One or Category Two are eligible for support. Applicants should request eligible miscellaneous services in the same category as the associated service being obtained or installed.

Fees

Fees and charges that are a necessary component of an eligible product or service are eligible, including:

- Change fees
- Contingency fees are eligible if they are reasonable and a regular business practice of the service provider. Contingency fees will be reimbursed only if the work is performed.
- Freight assurance fees
- Lease or rental fees on eligible equipment
- Per diem and/or travel time costs are eligible only if a contract with a vendor for the eligible product or services specifically provides for these costs
- Shipping charges
- Taxes, surcharges, and other similar, reasonable charges incurred in obtaining an eligible product or service are eligible. These types of charges include customer charges for universal service fees, but do not include additional charges for universal service administration.

Installation, Activation, and Initial Configuration

Installation, activation, and initial configuration of eligible components are eligible. These services may include:

- Design and engineering costs if these services are provided as an integral component of the installation of the relevant services
- Project management costs if these services are provided as an integral component of the installation of the relevant services
- On-site training is eligible as a part of installation services but only if it is basic instruction on the use of eligible equipment, directly associated with equipment installation, and is part of the contract or agreement for the equipment. Training must occur coincidently or within a reasonable time after installation.