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Office of Non-Public Education (ONPE)

E-RATE PROGRAM - DISCOUNTED TELECOMMUNICATIONS SERVICES FEDERAL COMMUNICATIONS COMMISSION (FCC)/ UNIVERSAL SERVICE ADMINISTRATIVE COMPANY (USAC)/ SCHOOLS AND LIBRARIES DIVISION (SLD)

Non-profit private schools -- along with public schools, and libraries -- can receive discounted telecommunications services through the E-rate program.

The E-rate program is administered by the Schools and Libraries Division (SLD) of the [Universal Service Administrative Company \(USAC\)](#). The program was set up in 1997 when the Federal Communications Commission (FCC) adopted a Universal Service Order implementing the Telecommunications Act of 1996. The Order was designed to ensure that all eligible schools and libraries have affordable access to modern telecommunications and information services. Up to \$2.25 billion annually is available to provide eligible schools and libraries with discounts under the E-rate program for authorized services.

Amount of Discounts

The E-rate provides discounts of 20 percent to 90 percent for eligible telecommunications services, depending on economic need and location (urban or rural). The level of discount is based on the percentage of students eligible for participation the National School Lunch Program or other federally approved alternative mechanisms. (Non-public schools and others not participating in the National School Lunch Program can use federally approved alternative mechanisms contained in the Improving America's Schools Act. Details of such mechanisms may be found in "Alternative Discount Mechanisms" on the SLD [web site](#).

INCOME Measured by % of students eligible for the National School Lunch Program	URBAN LOCATION E-Rate Discount	Rural Location E-Rate Discount
If the percentage of students in the school qualifying for the National School Lunch Program is...	...and the school is in an URBAN area, the E-rate discount will be...	...and the school is in a RURAL area, the E-rate discount will be...
Less than 1%	20%	25%
1% to 19%	40%	50%
20% to 34%	50%	60%
35% to 49%	60%	70%
50% to 74%	80%	80%
75% to 100%	90%	90%

Eligible Services

Discounts can be applied to commercially available telecommunications services, Internet access, and internal connections. Eligible services range from basic local and long distance phone services, and Internet access services, to acquisition and installation of equipment to provide internal connections.

An "Eligible Services List" is posted on the [SLD web site](#). Be sure to check the SLD web site for this list; updates are occurring for Year 4. Any service NOT included on this list as an eligible service should be considered ineligible. Please note that not all of the eligible services may be available in all areas throughout the country. (Note: The FCC has authority to revise service eligibility determinations. Applicants and service providers are well advised to regularly check the SLD web site to learn of any possible additions or adjustments to the Eligible Services List.)

Examples of Eligible and Ineligible Services (Eligibility may in some cases be conditional)

Eligible Services	Ineligible Services
<ul style="list-style-type: none"> • Basic phone service, which includes local and long distance (toll) service • Leased data circuits • T-1, 56K, ISDN lines • Dial-up Internet access • Direct Internet connections • Email 	<ul style="list-style-type: none"> • Voicemail • Online content • Professional development training • Software (see, Eligible Internal Connections)

Eligible Internal Connections	Ineligible Internal Connections
<ul style="list-style-type: none"> • Telecommunications wiring • Routers • Switches • Hubs • Network Servers • Certain system operating software • Wireless LANs • Installation & basic maintenance • Private Branch Exchange (PBX) 	<ul style="list-style-type: none"> • Personal computers • FAX machines • Modems in personal computers • Electrical wiring • Asbestos removal • Cameras

Application Process

Schools that plan to participate in the E-Rate program will need to follow a series of steps in order for their request for services to be placed on the SLD website. The timeline for filing appropriate forms is announced annually by the SLD on their [website](#). While this request for services (form 470) is on the website, vendors interested in providing services can access your request and provide bids on it. At the end of the required posting period, you may choose a vendor who can provide the services you have requested. Here are the steps that must be followed:

Instructions provided by SLD on the application process or <http://www.sl.universalservice.org/apply/> (Note that the dates are for funding year 4. The SLD website will be updated in future years to show the dates for those years.)

To apply for E-rate Discounts, the applicant ("you") must:

1. **Develop a technology plan:** If you have not already developed a technology plan, you need to do so then and submit it for approval by your State or another certified approving body (see above). Note that your technology plan must be approved before you file the Form 486 and receive discounts.
2. **Submit FCC Form 470** (Description of Services Requested and Certification Form): If you plan to file a Form 471 ONLY for services provided during Funding Year 4 under contracts signed pursuant to posted