Summary of Key Changes to the E-rate Program
in the Sixth Report and Order
January 21, 2011

Background and ALA Activities to Date

The E-rate program provides discounts to assist public libraries and schools in the United States with obtaining affordable telecommunications, I

Division (SLD) of USAC on their website at www.usac.org/sl.[4] Additionally, ALA encourages applicants to consult with their State Library E-rate coordinator to address situations particular to individual libraries.

Issues A

<u>Dark and Lit Fiber Optics and Providers of Products/Services</u>
The FCC made several significant changes in the Order related to the use of fiber optic technology. These changes fall into two major categories:

1. The type of services that can now be supported by E-rate, and
2. The types of providers who can offer these products/services.

Depending on the choices made by applicants after evaluating bid responses, these changes may also impact the way in which E-rate discounts are requested.

Types of Fiber Optic Solutions Supported by E-rate
The use of fiber optic technology to provide services (lit fiber) has always been eligible under the E-rate program when those services are provided by an eligible telecommunications services provider. In this Order, the FCC has also determined that leased dark fiber will also be eligible if that fiber is lit immediately. The E-rate program rules remain regarding the selection of the most cost-effective solution.

Providers of Products/Services
In an effort to further expand opportunities to obtain access to the benefits of fiber optic technology, the FCC revised the program to allow both telecommunications services providers and non-telecommunications services providers to provide both lit and dark fiber. Non-telecommunications services providers may include such entities as research and education networks, regional, state, or local government entities or networks, non-profit or for-profit providers and utility companies.

Impact on Application Preparation
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After completing a fair and open competitive bidding process and evaluating responses for the most cost effective solution, applicants will file for discounts based on the *type of provider* providing the product/service.

- For those applicants seeking leased dark or lit fiber solutions from an eligible telecommunications ugtxkegu"rtqxkfgt."ⱱjg{"owuv"ejgem"ⱱjg"õⱱgngeqmmwpkecⱱkqp"ugtxkeguö"ecⱱgiqt{"qh"ugtxkeg"qp"ⱱjg"Hqto" 471.
- At least for Funding Year 2011, for those applicants seeking dark or lit fiber solutions from a non-ⱱgngeqmmwpkecⱱkqp"ugtxkegu"rtqxkfgt."ⱱjg{"owuv"ejgem"ⱱjg"õKpvgtpgv"ceeguuö"ecⱱgiqt{"qh"ugtxkeg"*gxgp"kh" those services do not include Internet access).

Caution!
Because of the many nuances involved in applying for these new opportunities, both new and experienced

Disposal of Equipment

The Sixth Report apf"Qtfgt."hqt"vjg"hktuv"vkog."cfftguugf"vjg"fkurqucn"qh"gswkrogpv"hqt"rc{ogpv"qt"õqvjgt" eqpukfgtcvkqp.ö"dwv"pq"uqqpgt"vjcp"hkxg"{gctu"chvgt"vjg"gswkrogpv"ku"kpuvcnngf0""Vjg"HEE"tgictfu"vjg"hkxg-year term as being the useful life for any equipment subsidized with E-rate funds for the purpose of disposal. Schools and libraries do not have to notify the SLD of the equipment resale or disposal and applicants are not required to keep a record of the disposal for a period of five years following the disposal but recommends