Applicant Process

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Step 1 ›

Eligible Services Overview

Each year, before the FCC Form 471 application filing window opens, the FCC releases an Eligible Services List (ESL) for the upcoming funding year. This list contains a description of the products and services that will be eligible for discounts, along with additional helpful information such as eligibility conditions for each category of service for each specified funding year.

Additional Resources

Eligible Services Webinar
Eligible Services Glossary
Eligible Services FAQs

We suggest that you review this list, the ESL Glossary and Frequently Asked Questions (FAQs) before you file an FCC Form 470 to open your competitive bidding process so you know which services are eligible for the upcoming year.

Funding Categories of Service

The ESL includes the following service types that fall in one of two funding categories:

- Category One Services
  - Data Transmission Services
  - Internet Access
- Category Two Services
  - Internal Connections
  - Managed Internal Broadband Services
  - Basic Maintenance of Internal Connections

Category One Services

Data Transmission Services and/or Internet Access

This service type covers broadband connectivity and basic conduit access to the internet. These services cannot include charges for content, end-user devices or equipment purchases (other than those necessary for transmission of Category One services), or other services beyond basic conduit access to the internet. This service type includes leased lit fiber, leased dark fiber, and self-provisioned broadband networks.

*As of Funding Year 2019, voice services were no longer eligible.

Category Two Services

Category Two (C2) services include eligible equipment (such as routers, switches, wireless access points, and cabling) considered necessary to transport or distribute broadband within one or more instructional buildings of a single school campus or within one or more non-administrative buildings that comprise a single library branch.

Internal Connections and Managed Internal Broadband Services (MIBS)

These two service types include eligible products, such as access points, routers, switches, hubs, and wiring.

Eligible products are located at the applicant site and must be necessary to transport information to classrooms or publicly accessible areas of a library.

Services provided by a third party for the operation, management, and monitoring of eligible broadband internal connections components are eligible MIBS. Program support is limited to eligible expenses or portions of expenses that directly support and are necessary for the broadband connectivity within schools and libraries.

Applicants may lease equipment as a part of an internal connections request or a MIBS request. In other cases, the school or library may own the equipment but have a third party manage the equipment for it.

Basic Maintenance of Internal Connections (BMIC)

BMIC covers the repair and upkeep of eligible internal connections. Eligible repair and upkeep services include hardware, wiring, and cable maintenance, along with configuration changes performed on-site. The products must be eligible for discounts for their associated repair and upkeep services to be eligible.

Applicants may only receive support for actual work performed under contract on eligible products and parts that are repaired or replaced. Unbundled warranties or fixed price contracts are not eligible for reimbursement, unless the ineligible portions of the warranty can be cost-allocated and actual hours of work performed and costs under the fixed price BMIC contract can be demonstrated.

Other Eligibility Issues

Mixed Eligibility

Mixed eligibility refers to products and services for which only a portion is eligible for discounts under the E-Rate program.

In general, a cost allocation, separating the eligible and ineligible costs, is required if a product or service:

- Contains both eligible and ineligible components — for example, a data T1 circuit (eligible) that also has channels on the circuit dedicated to voice services (ineligible);

- Is put to both eligible and ineligible uses — for example, a server that is used for both caching (eligible) and video distribution (ineligible); or
- Is delivered to both eligible and ineligible locations — for example, broadband service delivered to a school run by a church (eligible) and to the church office (ineligible).

There is no single approved method to allocate eligible and ineligible costs. Your method must use tangible criteria that result in a reasonable allocation.

Ancillary Use

If a product or service contains ineligible features on an ancillary basis that are not offered or priced separately, ancillary use of these ineligible features may not require a cost allocation if they meet certain requirements.

Source: https://www.usac.org/e-rate/applicant-process/before-you-begin/eligible-services-overview/ · page last modified Jun 18, 2026 · captured Nov 1, 2026

Overview of Category 1 Eligibility

Data Transmission Services and/or Internet Access

This service type covers broadband connectivity and basic conduit access to the internet. These services cannot include charges for content, end-user devices or equipment purchases (other than those necessary for transmission of Category One services), or other services beyond basic conduit access to the internet. This service type leased lit fiber, leased dark fiber, and self-provisioned broadband networks and the modulating electronics to light dark fiber and self-provisioned broadband networks, and maintenance and operation of leased dark fiber and self-provisioned broadband networks.

*As of Funding Year 2019, voice services were no longer eligible.

Data Transmission Services/Internet Access

These services cover broadband connectivity and basic conduit access to the Internet – generally services delivered TO the school building. This service type also covers leased lit or leased dark fiber and, in special circumstances, self-provisioning (purchase) of dark fiber. The following data transmission services are generally eligible for E-Rate funding:

- Fiber (Leased Lit and Leased Dark)
- OC-1, OC-3, OC-12, OC-n
- Microwave Wireless Service
- Satellite Services
- DS-1, DS-2, DS-3
- Ethernet
- T-1, T-3, Fractional T-1
- Frame Relay
- SMDS
- Cable Modem
- DSL
- ATM
- Telephone Dialup Internet
- Broadband over Power Lines
- Self-provisioned Broadband Networks (when this is a more cost-effective option than leasing services from a commercial vendor)

Internet Access Service Components

Eligible	Ineligible
• Basic firewall protection*	• Other firewall service from different vendor or priced separately
• Domain Name Service*	• Applications
• Dynamic Host Configuration*	• Content
• Leased termination equipment (such as a router)	• E-mail
	• End-user devices

*Must be part of standard Internet offering from vendor (must be provided to all vendor's customers with no separate cost).

Important FCC Eligible Services Notes:

(1) Eligible costs include monthly charges, special construction, installation and activation charges, modulating electronics and other equipment necessary to make a Category One broadband service functional ("Network Equipment"), and maintenance and operation charges. 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.

Special Limited Eligibility: Wireless Cellular Data Plans

- 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.

This burden of proof is high and an applicant requesting discounts for wireless cellular data plans should be prepared for a cost effectiveness review from PIA. Any applicant who believes that the school or library can meet this burden should file a separate Form 471 application with a wireless cellular data plan funding request and should not include such a request on their primary Form 471 application. This separation hopefully will allow for the prompt processing of the primary Form 471 application while the cost effective review is conducted for the wireless cellular data plan request.

Limited Competitive Bidding Exemption for Bundled Internet Access Service:

Applicants may purchase a commercially-available, business-class broadband/Internet package that costs less than $300/month (pre-discount), without having to post a FCC Form 470. The exemption will

only apply if the package offers speeds of at least 100 mbps downstream and 10 mbps upstream per building and the charges cannot be averaged across multiple buildings. The annual pre-discount $3600 maximum includes any one-time installation and equipment charges. The exemption of $3,600 of annual pre-discount cost is per eligible building.

Building-to-Building Connections: Please refer to the end of this section for more information about the Category 1/Category 2 determination for connections between schools and buildings.

The following glossary contains a list of common terms that relate to the eligibility of products and services that applicants may request in the E-Rate Program. USAC provides this glossary to help clarify industry terms in support of the applicant procurement process. This glossary should NOT be used by applicants to determine the eligibility of a service or product or to determine the E-Rate category of service for a particular service or product. Instead, applicants must refer to the Eligible Services List (ESL) for a particular funding year to determine eligibility for services and products for E-Rate support for that funding year. Products and services that are not listed in the ESL are presumed to be ineligible.

ANTENNAS
An antenna is a device for transmitting and/or receiving radio frequency signals.

ASYNCHRONOUS TRANSFER MODE (ATM)
ATM is a high-speed Digital Transmission Service that can provide bandwidth of 622 Megabits per second or higher.

BROADBAND OVER POWER LINES (BPL)
Broadband over Power Lines (BPL) is a carrier current system installed and operated on an electric utility service as an unintentional radiator that sends radio frequency energy on frequencies between 1.705 MHz and 80 MHz over medium voltage lines or low voltage lines to provide broadband communications. It is also located on the supply side of the utility service's points of interconnection with customer premises.

CABLE MODEM
A cable modem is a modem designed for use on a TV coaxial cable circuit and provides a high-speed data path. It can provide high-speed access to the Internet over a coaxial cable circuit.

CABLING
Cabling refers to the wires or groups of wires capable of carrying voice, video, or data transmissions. Cabling provides electrical (or, in the case of fiber optics, lightwave) connectivity between points.

CACHING SERVICES/EQUIPMENT
A method that stores recently accessed information locally so that the information is accessible more quickly than if transmitted across a network from a distance.

CELLULAR SERVICE
Cellular* service uses radio transmissions to provide a wireless telephone and data service.
*The voice component of cellular service is ineligible for E-Rate discounts.

CONNECTORS
Connectors are devices that connect wires or fibers.

DIGITAL SUBSCRIBER LINE (DSL)
Digital Subscriber Line (DSL) is a technology that provides high-speed connections over telephone lines.
Different types of DSL service are available, using descriptions such as ADSL, HDSL, and SDSL. The DSL family of technologies sometimes goes by the general name xDSL.

DS-1
DS-1 is a type of Data Transmission Service, and stands for "Digital Signal, level 1." It operates at a bandwidth of 1.544 megabits per second. Other DS levels—DS-2, DS-3, and DS-4 —operate at higher bandwidths.

ETHERNET
Ethernet is a type of Data Transmission Service. Traditionally, Ethernet operates at a bandwidth commonly known as 10Base-T which is equivalent to 10 megabits per second (Mbps). 100Base-T at 100 Mbps and Gigabit (1,000 Mbps) are also available.

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FIBER OPTICS OR FIBER SERVICE
Fiber Optics is a technology that uses light to transport information over thin strands of glass (called fiber optic cable) and can provide a Data Transmission Service.

FIREWALL OR FIREWALL SERVICE
A firewall is a hardware and software combination that sits at the boundary between an organization's network and the outside world, and protects the network against unauthorized access or intrusions.

FRAME RELAY
Frame relay is a type of Data Transmission Service. Frame relay networks in the United States support data transfer rates at T-1 (1.544 Mbps) andT-3 (45 Mbps) speeds.

INTEGRATED SERVICES DIGITAL NETWORK (ISDN)
ISDN* is a type of Data Transmission Service that uses traditional phone lines to transmit digital voice and data over telephone lines. There are two types of service. Basic Rate Interface (BRI) provides a total bandwidth of 144 kilobits per second. Primary Rate Interface (PRI) provides a total bandwidth of 1.544 megabits per second.
*The voice component of an ISDN is ineligible for E-Rate discounts.

INTERNET ACCESS
The definition of internet access is based on section 54.5 of the FCC's rules which provides that internet access includes the following elements:
(1) The transmission of information as common carriage; (2) The transmission of information as part of a gateway to an information service, when that transmission does not involve the generation or alteration of the content of information, but may include data transmission, address translation, protocol conversion, billing management, introductory information content, and navigational systems that enable users to access information services, and that do not affect the presentation of such information to users; and (3) Electronic mail services (e-mail).

LEASED DARK FIBER
Dark fiber refers to fiber optic cable for which the service provider has not provided modulating electronics, and that is not being used to transmit data. Leased dark fiber is a type of fiber service in which the applicant leases a portion of a provider-owned and maintained fiber network, and separately pays to have that fiber lit in order to transmit information over that fiber. For the purposes of the E-rate Program, the term "leased dark fiber" includes indefeasible rights of use.

LEASED LIT FIBER
Lit fiber refers to fiber optic cable for which the service provider provides modulating electronics to light the fiber. Leased lit fiber is a fiber-based broadband service where the service provider owns, maintains, and manages the network, and the E-Rate applicant pays a recurring fee to have data transported over the network.

LOCAL AREA NETWORK (LAN)
A data* network that provides connections generally within an eligible school or library to other locations within the school or library.
*The voice and video components of a LAN are ineligible for E-Rate discounts.

MANAGED INTERNAL BROADBAND SERVICES (MIBS)
MIBS are services provided by a third party for the operation, management, and monitoring of eligible broadband internal connections components.

MICROWAVE
Microwave is a wireless technology used for point-to-point communications systems.

OC-1
OC-1 stands for "optical carrier 1," which is a Data Transmission Service that operates at 51.84 Megabits per second. Multiples of this bandwidth are also available, such as, OC-3 and OC-12.

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RACKS
A rack is a metal supporting framework for mounting cables, equipment, and/or wires.

ROUTER
Routers are switching devices that can act as an interface between two networks and connect different segments, such as departments or floors in a building. Functionally, routers select the routing path for traffic.

SATELLITE SERVICE
Satellite service provides communication between points on Earth by using an orbiting satellite as a communications relay point.

SELF PROVISIONED NETWORK
Applicant ownership of a high-speed broadband network. The applicant hires a vendor to construct the network or a portion of the network, and thereafter completely or partially owns and maintains that network or portion.

SHIPPING CHARGES
Shipping Charges are the charges associated with the delivery of products from their point of origin to the customer premises.

SWITCH
A switch is a mechanical or electronic device that completes or breaks an electrical path or that selects the paths for communication. More specifically, network switches provide capability similar to a network hub but provide a dedicated bandwidth at each network port, rather than shared bandwidth among all ports.

SWITCHED MULTIMEGABIT DATA SERVICE (SMDS)
Switched Multimegabit Data Service (SMDS) is a type of Data Transmission Service offered by telephone companies that operates at speeds of from 1.544 Megabits per second to 45 Megabits per second or even more.

T-1 (Trunk Level 1)
T-1 is a Data Transmission Service that operates at 1.544 Megabits per second. Greater speeds are available from other Trunk Levels, such as T-2 (6.312 Mbps) or T-3 (44.736 Mbps). Slower speeds are known as Fractional T-1.

UNINTERRUPTIBLE POWER SUPPLY (UPS) / BATTERY BACKUP
UPS, also called a battery backup, is a device that provides backup electric energy to a piece of equipment in the event of a power failure.

WIDE AREA NETWORK (WAN)
A WAN is a data* network that provides connections from within an eligible school or library to other locations beyond the school or library.
*The voice and video components of a WAN are ineligible for E-Rate discounts.

WIRELESS ACCESS POINT
A Wireless Access Point is used to distribute a wireless signal to allow devices to connect to a network and/or access to the Internet.

WIRELESS CONTROLLER SYSTEM
A Wireless Controller System is used in conjunction with access points to create a wireless local area network.

WIRELESS LOCAL AREA NETWORK (LAN)
A Wireless Local Area Network provides the functionality of a local area network using wireless components rather than cabling.

WI-FI
The definition is based on section 54.1700 of the Commission's rules. Wi-Fi is a wireless networking protocol based on Institute of Electronical and Electronics Engineers standard 802.11.

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FAQs

Eligible Services

Classification of Category One and Category Two services

Q1: Are costs for applicant-owned wide area networks (WAN) now eligible as Category One services?

A1:

Yes. Beginning in FY2016, costs related to applicant-owned WANs will be eligible for Category One support. In the Second E-Rate Modernization Order, the Commission established a mechanism for applicants to seek Category One support for self-provisioned networks when self-provisioning is the most cost-effective option to meet their connectivity needs. Consistent with that decision, the Commission eliminated a prior rule that prohibited E-Rate support for applicant-owned WANs. As a reminder, lease arrangements for non-exclusive access to service provider WANs have long been eligible for Priority One/Category One support through the Schools and Libraries (E-Rate) program.

Q2: What is a WAN for the purposes of the E-Rate program?

A2:

For broadband, connections forming a data network between multiple eligible schools or libraries are WAN connections for the purposes of the E-Rate program. WAN connections do not include connections between or among multiple buildings of a single school campus or single library branch. Such connections are Category Two internal connections under the E-Rate program rules.

Q3: How are connections between buildings of a single school classified?

A3:

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.

Category One Classifications:

- Connections between buildings on different campuses of a single school are considered to be Category One digital 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 digital transmission services, unless they share the same building.

Category Two Classification:

Connections between buildings of a single school on the same campus are considered to be Category Two internal connections.

Q4: What if the different schools or libraries are located on the same campus? Are the connections installed between them eligible for Category One support?

A4:
Yes. Under the rules adopted by the Second E-Rate Modernization Order, connections installed between two or more schools or libraries are eligible for Category One support, irrespective of whether the schools are located on the same campus.

Take, for example, a high-rise building with three different schools located on three different floors. As one option for meeting their connectivity needs, the three schools consider constructing a network that connects their facilities on different floors of the building, with a single connection running out to a service provider's point-of-presence (PoP). That configuration would be a WAN for the purposes of the E-Rate program. The costs associated with installing the connection running out to the PoP and between the three schools within the building would be eligible for Category One support. Similarly, a connection between a middle school and high school located on the same campus would be eligible for Category One support.

Q5: Isn't a connection that crosses a public right-of-way eligible for Category One support, and any fiber connection that does not cross a public right-of-way an internal connection?

A5:
No. Before the Modernization Orders, the E-Rate program's definition of "internal connections" included a rebuttable presumption that a connection that crossed a public right-of-way was not an internal connection. The purpose of that rebuttable presumption was to distinguish between connections that may be eligible for what was formerly called Priority Two support as part of an applicant's LAN from those that would not be eligible for E-Rate support at all because they were part of an applicant-owned WAN.

Now that applicant-owned WANs are eligible for Category One support, there is no need for that distinction. In fact, the E-Rate Modernization Order removed the rebuttable presumption and the reference to a public right-of-way from the definition of internal connections altogether.

The Commission now defines internal connections as services "necessary to transport or distribute broadband within one or more instructional buildings of a single school campus or within one or more non-administrative buildings that comprise a single library branch." (47 C.F.R Section 54.500)

In short, the classification of a connection as a Category One or Category Two service turns on the function of the connection, i.e., whether it is part of a WAN connecting multiple eligible schools or libraries, or whether it distributes broadband within a single school campus.

Q6: So, in the high-rise example above, if three floors of the building are occupied by instructional facilities of a single school, the connections installed between the floors occupied by the single school would be internal connections?

A6:
Correct. The connections between the instructional facilities located on different floors of the high-rise building would distribute broadband within a single school campus. They would, therefore, be internal connections eligible for Category Two support.

Q7: What about a single school campus that is intersected by a public right-of-way, with instructional buildings located on either side of the public right-of-way? Would the connections between all of the instructional buildings be internal connections?

A7:
Yes. The connections installed between the buildings on either side of the public right-of-way would distribute broadband to the instructional buildings of a single school campus, and would be internal connections eligible for Category Two support as opposed to WAN connections eligible for Category One support.

Q8: What about a single school with multiple campuses that are located miles apart? Would connections installed between the instructional buildings on the different campuses be internal connections?

A8:
No. Internal connections distribute broadband within one or more instructional buildings of a single school campus, or within one or more non-administrative buildings that comprise a single library branch. Connections that distribute

broadband to buildings of a single school located on multiple campuses located miles apart would not be internal connections, and may be eligible for Category One support.

Voice Services

Q9: Will the E-Rate program still cover at least voice access from every classroom in case of an emergency or in case a teacher needs to take a student somewhere and needs to call for a temporary substitute?

A9:
There will no longer be support for any voice services.

Q10: Are data plans and air cards still eligible?

A10:
Data plans and air cards for mobile devices, whether requested separately or as part of a cellular bundle, will continue to be eligible for E-Rate program support only in instances when the school or library seeking support demonstrates that individual data plans are the most cost-effective option for providing internal broadband access for mobile devices at schools and libraries, such as for library bookmobiles or for some schools or libraries serving very small numbers of students or patrons.

Q11: Are phased out services still covered (grandfathered) if they are part of pre-existing multi-year contracts that have previously been funded? How about for any extensions that were explicitly anticipated?

A11:
No, you cannot receive E-Rate program support for fully phased out or ineligible services even if they are still under contract.

Source: https://www.usac.org/e-rate/learn/faqs/eligible-services/ · all answers shown expanded · captured Nov 1, 2026

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FAQs

Eligible Fiber Services

Eligible Fiber Services and Charges

Q1: What are the fiber services eligible for E-Rate support and how do they differ?

A1:

There are three types of fiber options eligible for E-Rate support:

- **Leased Lit Fiber:** A fiber-based broadband service where the service provider owns, maintains, and manages the network, and the E-Rate applicant pays a recurring fee to have data transported over the network.
- **Leased Dark Fiber (including Indefeasible Rights of Use (IRU)):** The E-Rate applicant leases capacity (i.e. a specific number of fiber strands) on a provider-owned fiber network. The applicant pays separately for modulating equipment to light the fiber in order to transmit data over that fiber. The maintenance and operations (M&O) charges related to leased dark fiber service can be the responsibility of the service provider or the applicant dependent on the terms of the contractual agreement. The applicant can negotiate M&O charges with the leased dark fiber service provider to provide these services or the applicant may obtain this service via another third party vendor.
- **Self-Provisioned Network:** Applicant ownership of a high-speed broadband network. The applicant hires a vendor to construct the network or a portion of the network, and thereafter owns and maintains that network or a portion.

Note: *Although included as a fiber option, a self-provisioned network may utilize technologies other than fiber. When requesting bids for a self-provisioned network, applicants must consider all bids in a technology-neutral manner.*

Q2: When are the recurring charges associated with leased lit fiber, leased dark fiber, and self-provisioned networks eligible for E-Rate support?

A2:
Applicants may not receive E-Rate support for any recurring charges incurred before the start of the funding year (i.e., July 1).

Applicants may only receive E-Rate support for recurring charges for leased lit fiber services delivered within the funding year.

Applicants may not receive E-Rate support for recurring charges for leased dark fiber until the fiber is lit.

Applicants may not receive E-Rate support for recurring charges associated with a self-provisioned network until the network is constructed and is in use.

Q3: What is special construction?

A3:
Special construction is the deployment of new fiber or upgraded facilities to E-Rate eligible entities. For the purposes of the E-Rate program, special construction charges are the upfront, non-recurring costs of deploying new or upgraded network facilities to eligible entities. Special construction consists of three components: (1) construction of network facilities; (2) design and engineering; and (3) project management. Special construction does not include charges for Network Equipment, (i.e., modulating electronics and other equipment necessary to make a Category One service functional).

Applicants may seek funding for special construction charges in connection with leased lit fiber, leased dark fiber, and self-provisioned networks.

Q4: Can applicants incur charges for special construction in one funding year and light the fiber in a later funding year? Stated differently, can applicants request support for special construction of fiber that is not lit, or a self-provisioned network that is not used (if another technology is employed), within the funding year of my funding request?

A4:
No. Applicants may only request E-Rate support for special construction charges related to leased lit fiber and leased dark fiber if the fiber is lit within the same funding year (i.e., by June 30) as the funding request. Applicants may only receive E-Rate support for special construction charges for a self-provisioned network if the network is constructed and is in use by the end of the same funding year as the funding request.

Applicants may not request E-Rate support for special construction of fiber in one funding year if the fiber will not be lit until a later funding year. For example, an applicant may not spend two years constructing a network that will not be lit until year three, and submit E-Rate funding requests for the special construction charges incurred in years one and two.

Q5: What if special construction for a fiber run or network cannot be completed in one year because of the terrain, the extensiveness of the build, or other foreseeable factors? Are there any exceptions that will let me seek special construction charges for fiber that is not lit within the same funding year as the funding request?

A5:
No. There are no exceptions to the requirement to light the fiber by the end of the funding year (i.e., June 30) when the reasons are foreseeable events. Foreseeable events may include, for example, the size or complexity of the build, the terrain involved, limitations expressed by a service provider or contract terms. Applicants may receive up to a one year extension if they can demonstrate that construction was unavoidably delayed due to weather or other reasons. See Q7 for additional information. Applicants that wish to seek an extension of this deadline beyond one year must request a waiver from the FCC.

Q6: What can an applicant do if the scope of the project might prevent them from completing construction and lighting the fiber by June 30?

A6:
Applicants can call the USAC Customer Service Center at (888) 203-8100 to review their special construction plan. It may be possible to break up the special construction project into stages that will allow applicants to complete special construction and light the fiber for some of their eligible school and/or library locations in one year, and complete additional connections to other eligible school and/or library locations in a subsequent funding year. The special construction charges associated with the fiber installed and lit within each funding year would be eligible for support in that funding year.

Q7: What if my special construction project is delayed by an extreme weather event, a natural disaster, or other unforeseen, unavoidable factor?

A7:
Applicants may request a one-year extension to complete special construction and light the fiber (or use the self-provisioned network if another technology is employed), if the applicant can demonstrate that construction was unavoidably delayed due to weather or other reasons. Examples of circumstances that may be an unavoidable delay include:

- Unforeseen weather event or pattern resulting in saturated or frozen ground that prevents the work from occurring;
- Occurrence of a natural disaster;
- Scheduled delivery of required plant components does not arrive;
- USAC issues an FCDL too late for the applicant to complete special construction and light the associated fiber by the end of the funding year;
- Another unforeseeable, unavoidable event.

To obtain a one-year extension based on an unforeseen, unavoidable construction delay, applicants must submit an extension request to USAC by filing an FCC Form 500 through the E-Rate Productivity Center (EPC) before the end of the funding year (i.e., June 30). Please call the USAC Customer Service Center at (888) 203-8100 for assistance in obtaining a one-year extension.

Q8: What is Network Equipment?

A8:

Network Equipment is limited to modulating electronics and other equipment necessary to make a Category One broadband service functional. Network Equipment is eligible for Category One support.

While Network Equipment is eligible for Category One support, it is a different service than special construction. Applicants that wish to request E-Rate support for special construction must seek bids for Network Equipment separately on their FCC Form 470. Additionally, on the FCC Form 471, applicants must request E-Rate support for Network Equipment in a funding request that is separate from a special construction funding request.

For additional information on how to seek bids and E-Rate support for Network Equipment, see Q26 below.

Q9: How do I know when on-premise equipment is Network Equipment eligible for Category One support or an internal connection eligible for Category Two support?

A9:

In most cases, the connection providing Category One broadband connectivity to a school would terminate into one device, and that device would serve as a demarcation point between the last mile circuit and the school LAN. In that case, the terminating router or switch would be Network Equipment eligible for Category One support, because without it, the needed broadband connectivity could not be delivered to the school (i.e., the Category One broadband service would not function). The mere fact that the device also interfaces with the school's LAN and ultimately enables the LAN's connectivity does not preclude the school from requesting Category One support for the cost of the device.

For example, fiber to a school may terminate into a router that is then connected to the school's LAN via a series of switches. The terminating router or switch must interface with the LAN for the LAN to receive connectivity. The router into which the Category One fiber service terminates would be Network

Equipment. It is necessary so that Category One broadband service to the school can function. That remains true even though the router is connected to the school's LAN via a series of switches. The series of switches, however, would not be Network Equipment. The purpose of those devices is to enable the functionality of the LAN. They are not necessary to deliver Category One broadband service to the school.

Note that the demarcation points for different schools and libraries may vary based on the configurations of their networks. If you have questions about whether equipment involved in a particular network configuration would constitute Network Equipment eligible for Category One support or internal connections eligible for Category Two support, please contact the USAC Customer Service Center to discuss the specific facts necessary to make that determination.

Q10: If on-premise equipment performs both Category One and Category Two functions, and it is determined that it qualifies as Category One Network Equipment, does an applicant have to cost-allocate anything out of their funding request due to the Category Two functionality?

A10:
Cost allocation is not required if: (1) purchasing the device is the most cost-effective means of making the Category One broadband service to the school function; and (2) a price for the components of the device that enable the school's LAN to receive connectivity (i.e., the Category Two function) cannot be isolated from the price of the components that enable broadband connectivity to the school (i.e., the Category One function). Under those circumstances, the components of the device that interface with the school's LAN and enable the LAN's connectivity would be ancillary, and the school may seek a discount based on the full cost of the terminating device in a Category One funding request.

If, however, a price for the components of the device that enable the school's LAN to receive connectivity can be isolated from the price of the components that enable the Category One service, those charges should be cost allocated out of the Category One funding request.

Q11: May I request E-Rate support for new Network Equipment and Maintenance and Operations (M&O) charges for an existing leased dark fiber or self-provisioned network?

A11:
Yes. Applicants that currently own a leased dark fiber or self-provisioned network may obtain Category One support for new Network Equipment (i.e., an equipment refresh or upgrade) and Maintenance and Operations (M&O) charges for those existing networks. See Q26 and Q27 for information on how to request bids and E-Rate support for those charges.

Q12: So, to recap, of the charges I may incur for each type of eligible fiber service, which are eligible for E-Rate support?

A12:

Applicants may request E-Rate support for the following charges (by type of fiber service):

Leased Lit Fiber	Leased Dark Fiber*	Self-Provisioned Networks*
• Monthly recurring charges • Basic installation charges • Special construction charges • Network equipment	• Recurring dark fiber lease or IRU payments • Maintenance and operations charges • Special construction charges • Basic installation charges • Network equipment	• Maintenance and operations charges • Special construction charges • Network equipment

** Remember that applicants seeking bids for leased dark fiber and self-provisioned networks must seek bids for their Internet access service separately in an FCC Form 470 posting and seek E-Rate support for Internet access service in a separate FCC Form 471 funding request.*

See also Qs 14-28 for information about how to request bids for these services through an FCC Form 470 posting and Qs 30-38 for how to request E-Rate support for the charges through an FCC Form 471 filing.

Q13: I understand that special construction charges incurred after the close of the funding year (i.e. June 30) are ineligible for E-Rate support. Is it possible for me to start work early and incur charges for special construction and Network Equipment purchases incurred prior to the July 1 start of the funding year?

A13:

Applicants may begin special construction six months prior to the start of the funding year (i.e., January 1), and seek E-Rate support for the charges incurred, provided that: (1) construction begins after selection of a service provider pursuant to a valid competitive bidding process; (2) a Category One recurring service depends on the installation of the infrastructure; and (3) the service start date is on or after the start of the funding year.

In addition, if an applicant opts to begin special construction during the six months prior to start of the funding year (i.e., January 1), applicants may also request E-Rate support for Network Equipment installed during the course of that work.

> Applicants are cautioned, however, that if they choose to incur charges for either special construction or Network Equipment before receiving funding commitment decision letters for those funding requests, they assume the risk that their funding requests may be denied or reduced.

Source: https://www.usac.org/e-rate/learn/faqs/eligible-fiber-services/#Eligible-Fiber-Services-and-Charges · section 1 of 7 (Q1–Q13) · all answers shown expanded · captured Nov 1, 2026

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FAQs

Eligible Fiber Services

Eligible Fiber Services and Charges

Q1: What are the fiber services eligible for E-Rate support and how do they differ?

A1:

There are three types of fiber options eligible for E-Rate support:

- **Leased Lit Fiber:** A fiber-based broadband service where the service provider owns, maintains, and manages the network, and the E-Rate applicant pays a recurring fee to have data transported over the network.
- **Leased Dark Fiber (including Indefeasible Rights of Use (IRU)):** The E-Rate applicant leases capacity (i.e. a specific number of fiber strands) on a provider-owned fiber network. The applicant pays separately for modulating equipment to light the fiber in order to transmit data over that fiber. The maintenance and operations (M&O) charges related to leased dark fiber service can be the responsibility of the service provider or the applicant dependent on the terms of the contractual agreement. The applicant can negotiate M&O charges with the leased dark fiber service provider to provide these services or the applicant may obtain this service via another third party vendor.
- **Self-Provisioned Network:** Applicant ownership of a high-speed broadband network. The applicant hires a vendor to construct the network or a portion of the network, and thereafter owns and maintains that network or a portion.

Note: *Although included as a fiber option, a self-provisioned network may utilize technologies other than fiber. When requesting bids for a self-provisioned network, applicants must consider all bids in a technology-neutral manner.*

Q2: When are the recurring charges associated with leased lit fiber, leased dark fiber, and self-provisioned networks eligible for E-Rate support?

A2:
Applicants may not receive E-Rate support for any recurring charges incurred before the start of the funding year (i.e., July 1).

Applicants may only receive E-Rate support for recurring charges for leased lit fiber services delivered within the funding year.

Applicants may not receive E-Rate support for recurring charges for leased dark fiber until the fiber is lit.

Applicants may not receive E-Rate support for recurring charges associated with a self-provisioned network until the network is constructed and is in use.

Q3: What is special construction?

A3:
Special construction is the deployment of new fiber or upgraded facilities to E-Rate eligible entities. For the purposes of the E-Rate program, special construction charges are the upfront, non-recurring costs of deploying new or upgraded network facilities to eligible entities. Special construction consists of three components: (1) construction of network facilities; (2) design and engineering; and (3) project management. Special construction does not include charges for Network Equipment, (i.e., modulating electronics and other equipment necessary to make a Category One service functional).

Applicants may seek funding for special construction charges in connection with leased lit fiber, leased dark fiber, and self-provisioned networks.

Q4: Can applicants incur charges for special construction in one funding year and light the fiber in a later funding year? Stated differently, can applicants request support for special construction of fiber that is not lit, or a self-provisioned network that is not used (if another technology is employed), within the funding year of my funding request?

A4:
No. Applicants may only request E-Rate support for special construction charges related to leased lit fiber and leased dark fiber if the fiber is lit within the same funding year (i.e., by June 30) as the funding request. Applicants may only receive E-Rate support for special construction charges for a self-provisioned network if the network is constructed and is in use by the end of the same funding year as the funding request.

Applicants may not request E-Rate support for special construction of fiber in one funding year if the fiber will not be lit until a later funding year. For example, an applicant may not spend two years constructing a network that will not be lit until year three, and submit E-Rate funding requests for the special construction charges incurred in years one and two.

Q5: What if special construction for a fiber run or network cannot be completed in one year because of the terrain, the extensiveness of the build, or other foreseeable factors? Are there any exceptions that will let me seek special construction charges for fiber that is not lit within the same funding year as the funding request?

A5:
No. There are no exceptions to the requirement to light the fiber by the end of the funding year (i.e., June 30) when the reasons are foreseeable events. Foreseeable events may include, for example, the size or complexity of the build, the terrain involved, limitations expressed by a service provider or contract terms. Applicants may receive up to a one year extension if they can demonstrate that construction was unavoidably delayed due to weather or other reasons. See Q7 for additional information. Applicants that wish to seek an extension of this deadline beyond one year must request a waiver from the FCC.

Q6: What can an applicant do if the scope of the project might prevent them from completing construction and lighting the fiber by June 30?

A6:
Applicants can call the USAC Customer Service Center at (888) 203-8100 to review their special construction plan. It may be possible to break up the special construction project into stages that will allow applicants to complete special construction and light the fiber for some of their eligible school and/or library locations in one year, and complete additional connections to other eligible school and/or library locations in a subsequent funding year. The special construction charges associated with the fiber installed and lit within each funding year would be eligible for support in that funding year.

Q7: What if my special construction project is delayed by an extreme weather event, a natural disaster, or other unforeseen, unavoidable factor?

A7:
Applicants may request a one-year extension to complete special construction and light the fiber (or use the self-provisioned network if another technology is employed), if the applicant can demonstrate that construction was unavoidably delayed due to weather or other reasons. Examples of circumstances that may be an unavoidable delay include:

- Unforeseen weather event or pattern resulting in saturated or frozen ground that prevents the work from occurring;
- Occurrence of a natural disaster;
- Scheduled delivery of required plant components does not arrive;
- USAC issues an FCDL too late for the applicant to complete special construction and light the associated fiber by the end of the funding year;
- Another unforeseeable, unavoidable event.

To obtain a one-year extension based on an unforeseen, unavoidable construction delay, applicants must submit an extension request to USAC by filing an FCC Form 500 through the E-Rate Productivity Center (EPC) before the end of the funding year (i.e., June 30). Please call the USAC Customer Service Center at (888) 203-8100 for assistance in obtaining a one-year extension.

Q8: What is Network Equipment?

A8:

Network Equipment is limited to modulating electronics and other equipment necessary to make a Category One broadband service functional. Network Equipment is eligible for Category One support.

While Network Equipment is eligible for Category One support, it is a different service than special construction. Applicants that wish to request E-Rate support for special construction must seek bids for Network Equipment separately on their FCC Form 470. Additionally, on the FCC Form 471, applicants must request E-Rate support for Network Equipment in a funding request that is separate from a special construction funding request.

For additional information on how to seek bids and E-Rate support for Network Equipment, see Q26 below.

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Note that the demarcation points for different schools and libraries may vary based on the configurations of their networks. If you have questions about whether equipment involved in a particular network configuration would constitute Network Equipment eligible for Category One support or internal connections eligible for Category Two support, please contact the USAC Customer Service Center to discuss the specific facts necessary to make that determination.

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In addition, if an applicant opts to begin special construction during the six months prior to start of the funding year (i.e., January 1), applicants may also request E-Rate support for Network Equipment installed during the course of that work.

> Applicants are cautioned, however, that if they choose to incur charges for either special construction or Network Equipment before receiving funding commitment decision letters for those funding requests, they assume the risk that their funding requests may be denied or reduced.

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Tribal Applicants

FAQs

Eligible Fiber Services

Requesting Bids for Fiber Services – FCC Form 470 & Requests for Proposal (RFPs)

Q14: Are there any competitive bidding requirements applicable to leased dark fiber?

A14:

Applicants who are requesting E-Rate support for leased dark fiber must also seek bids for leased lit fiber in an FCC Form 470 posted in E-Rate Productivity Center (EPC).

Q15: If I have a pre-existing, multi-year dark fiber lease or an IRU, do I need to post a new FCC Form 470 for the current funding year and request competitive leased lit fiber bids?

A15:

Leased dark fiber has been eligible for E-Rate support since Funding Year (FY) 2011. If the applicant entered a multi-year dark fiber lease or IRU in a prior funding year, pursuant to an E-Rate-compliant competitive bidding process, and the lease or IRU has not expired, the applicant is not required to post an FCC Form 470 prior to requesting E-Rate support for continued service under that multi-year agreement. When that dark fiber lease or IRU expires or otherwise terminates, and the applicant posts an FCC Form 470 seeking bids for a new service contract, the applicant will be required to comply with all applicable competitive bidding rules at that time. For instance, if the applicant seeks bids for another dark fiber lease or IRU at that time, the applicant will be required to seek bids for the needed connectivity via leased lit fiber, as well.

Q16: What is the competitive bidding requirement applicable to self-provisioned networks?

A16:

Applicants requesting E-Rate support for a self-provisioned network must also seek bids for the services provided over third-party networks in the same FCC Form 470 posted in EPC.

If an applicant has already sought bids for services provided over third-party networks in an FCC Form 470, and did not receive any bids in response, the applicant may post a second FCC Form 470 seeking bids for a self-provisioned network only (i.e., the applicant does not need to repeat a request for bids for services provided over third-party networks).

Q17: Is "services provided over third-party networks" a technology-neutral standard? What if I'm only interested in bids for a fiber service?

A17:
Self-provisioned networks are a technology-neutral eligible service. Applicants may self-provision a fiber network, but applicants may also self-provision networks using other technologies (i.e., fixed microwave), or a mix of fiber and other technologies. In light of this, the FCC adopted a technology-neutral competitive bidding standard for self-provisioned networks – service provided over third party networks.

If an applicant specifies a requested bandwidth that other providers can provide, the technology-neutral competitive bidding standard expands the competitive bidding pool, and helps to ensure that applicants requesting E-Rate support for self-provisioned networks only do so when it is the most cost-effective service option to meet their connectivity needs. It is possible that based on the applicant's bandwidth specifications that fiber may be the only option for receiving the requested bandwidth.

Q18: Are there any competitive bidding requirements applicable to leased lit fiber?

A18:
If an applicant is only interested in seeking bids for leased lit fiber, they may do so by posting an FCC Form 470 in EPC. They would request Internet Access and Data Transmission Service on their FCC Form 470 and utilize the narrative field on the FCC Form 470 and/or their RFP, if applicable, to provide additional details regarding their service need requirements.

Q19: How do I request bids for fiber services? Do I have to attach a separate Request for Proposal (RFP)?

A19:
As with all other eligible services, applicants must request bids for fiber services by submitting the FCC Form 470. Please see the FCC Form 470 user guide for information about how to properly identify the services for which you are seeking bids.

Although the E-Rate rules do not specifically require applicants to prepare a separate RFP for any eligible service, applicants seeking bids for leased dark fiber services or self- provisioned networks based on the information required, will need to upload an RFP in EPC. Please see the FCC Form 470 user guide for additional information.

Q20: What if I don't seek bids for fiber on the FCC Form 470 itself, but I do request fiber bids in an attached RFP? Does that satisfy E-Rate program rules requiring a fair and open competitive bidding process?

A20:
No. The FCC Form 470 is required to open and start the competitive bidding process in the E-Rate program. Any service for which applicants are requesting E-Rate support must be identified on their FCC Form 470. It is not sufficient if the service is identified in their RFP, because service providers may not look beyond the posted FCC Form 470 to see the additional request in the RFP. For example, if an applicant's FCC Form 470 seeks bids for leased dark fiber and leased lit fiber, and their RFP also includes a request for bids for a self-provisioned network, the applicant may not receive E-Rate support for a self-provisioned network as this service was not included in their FCC Form 470.

Q21: Can the applicant state that they would prefer a self-provisioned network over a leased lit fiber or leased dark fiber solution? Can the applicant state that they would prefer a leased dark fiber solution over a leased lit fiber or self-provisioning a network?

A21:
No. As with all other E-Rate eligible services, competitive bidding for fiber services must be open and fair. That means an applicant may not specify a preference for any of the services for which it is required to seek bids in an FCC Form 470 or an RFP, or through another medium during the competitive bidding process. For instance, if an applicant seeks bids for leased dark fiber, they are also required to seek bids for the requested connectivity via leased lit fiber. The applicant may not state that, although it is requesting bids for both types of fiber service, they would prefer leased dark fiber solutions over leased lit fiber solutions. Similarly, applicants may not state a preference for self-provisioning a network over a service provided over third-party networks.

Q22: If I post a separate RFP, should I identify all of the services for which I am seeking bids in that RFP, or is it enough to just have those services identified in the FCC Form 470?

A22:
Applicants must identify all services for which they are seeking bids on their FCC Form 470. The RFP may contain additional detail about the connectivity needs that would be useful to service providers submitting bids for the various options. To avoid the appearance of a preference for one type of service over another, USAC recommends that applicants identify all of the services for which they are requesting bids in any RFP that they attach to their FCC Form 470, as well. For example, if an applicant seeks bids for a self-provisioned network, their RFP should note that they are seeking bids for services provided over third-party networks as well.

Q23: What kind of information should I include in an FCC Form 470 and/or RFP seeking bids for fiber services?

A23:
The FCC Form 470 and RFP should provide enough information to request comprehensive proposals with line-item cost details from service providers, but not so much information that the applicant states a preference for a particular connectivity solution, a particular construction route, or particular method of construction. The idea is to communicate connectivity needs to service providers in a manner that allows the providers to ascertain and propose the most cost-effective way that they can provide the requested services to the applicant, with line-item cost details.

For instance, an FCC Form 470 and RFP seeking bids for fiber services should generally identify:

- All of the connectivity solutions for which the applicant is seeking bids (e.g., leased lit fiber, leased dark fiber, self-provisioning, services over a third-party network). Applicants should make sure those solutions match the drop-down options they have selected on FCC Form 470.
- Location of the recipients of service to be connected.
- Desired term of agreement with provider (for leased lit and leased dark fiber).
- Bandwidth sought (may be stated in a range).
- Desired bandwidth expansion over time and request for pricing.
- Any permissible disqualification factors.
- Required deadlines.
- Any state or local procurement requirements.
- Bid evaluation criteria.
- Any templates that bidders should use and other bid submission instructions (including instructions on how to ask questions).

If an applicant is seeking bids for a self-provisioned network, or knows that their request for leased lit fiber or leased dark fiber will require special construction to the recipients of service specified, USAC would also expect that the applicant's RFP would request that service providers specify in their proposals:

- Route assessment, maps, ROW access and/or easement requirements.
- Complete specifications for the special construction project as a whole, including whether fiber will be buried, strung through conduit (existing or newly installed), and/or strung aerially on poles (existing or newly installed).
- All terms and conditions associated with the completion of the work.
- Invoice-level detail specifying quantities and costs associated with the special construction project **as a whole** (e.g., number and cost of fiber strands installed, pole attachment make-ready costs, trenching and/or boring costs, costs and quantities with respect to any conduit, hand holes, vaults, splicing).

- Charges for engineering, environmental assessments, traffic control and permits, surveys, testing, and the like.

Again, these are details that service providers should **provide** to applicants. Applicants should not attach pre-engineered plans or otherwise specify the route, type of construction, or plant components they would like service providers to use. Service providers are likely to be in the best position to propose the most cost-effective route to applicants.

That said, applicants should feel free to include general, high-level information in RFPs that they think may be helpful to service providers putting together a proposal (e.g., information about the terrain, existing facilities on school/library property that can be leveraged, compatibility requirements with existing school/library facilities). In addition, while applicants should not attach pre-engineered construction plans for a special construction project they would like service providers to bid on, they may attach maps or plans that provide information about school/library property and existing infrastructure in the area.

If applicants have specific questions about how to formulate their RFP, they should call the USAC Customer Service Center at (888) 203-8100 or enter a customer service case in EPC.

Q24: What if I do not expressly request bids for special construction in conjunction with my FCC Form 470 seeking bids for a fiber service? Can a service provider still include special construction charges in their proposal?

A24:
In the case of leased lit fiber and leased dark fiber, yes. The E-Rate rules do not expect applicants to always know whether and to what extent special construction may be required to connect eligible recipients to a service provider's network. So, if applicants post an FCC Form 470 seeking bids for bandwidth for a specified list of recipients of service, and service providers respond with proposals that include special construction, that is fine.

If applicants determine that a proposal that includes special construction as the most cost-effective option for their connectivity needs, however, applicants are advised that they will be required to answer the same questions during PIA review as applicants that specifically sought bids for special construction.

Special construction is a necessary component for self-provisioning a new network or a new part of an existing network. Accordingly, all FCC Form 470s seeking bids for a self-provisioned network should specifically seek bids for special construction.

Q25: Do I need to do anything during the competitive bidding process to indicate that I would like service providers to offer an installment payment option for my non-discount share of special construction charges?

A25:
Yes. Applicants interested in an installment payment agreement for their non-discount share of eligible special construction charges must indicate that interest on their FCC Form 470. When applicants are filing their FCC Form 470, on the "Services Request" page in EPC, they should look for a check box under the "Narrative" box for this option.

See Q35 for additional information on installment payment arrangements for an applicant's non-discount share of eligible special construction charges.

Q26: How do I seek bids for Network Equipment?

A26:
As with all other eligible services, applicants must request bids for Network Equipment. Applicants should reference the FCC Form 470 user guide for information about how to specify that they are seeking bids for Network Equipment in an FCC Form 470.

Q27: How do I seek bids for Maintenance & Operations (M&O) services for a leased dark fiber or self-provisioned network?

A27:
As with all other eligible services, applicants must request bids for Maintenance & Operations (M&O) services using the FCC Form 470. Applicants should reference the FCC Form 470 user guide for information about how to specify that they are seeking bids for M&O services.

Q28: If I'm seeking bids for Network Equipment or Maintenance and Operations (M&O) services for an existing leased dark fiber or self-provisioned network, what are the competitive bidding requirements?

A28:
Applicants seeking E-Rate support for Network Equipment or M&O services for an existing leased dark fiber or self-provisioned network do not need to seek competitive bids for leased lit fiber (in the case of existing leased dark fiber) or services provided over third-party networks (in the case of self-provisioned networks). Applicants do have to file an FCC Form 470 seeking competitive bids for the Network Equipment and M&O services. Applicants should reference the FCC Form 470 user guide for information about how to specify that they are seeking bids for these services.

Q29: Is there a reference source to help determine which Category One (C1) drop-down options to utilize when selecting services to solicit bids on the FCC Forms 470?

A29:
Yes. See the FCC Form 470 C1 Services Drop-Down Menu Reference Table for examples of services that are associated with the individual C1 drop-down function options on the FCC Form 470.

Q30: If I receive multiple service options from the same bidder, do I need to evaluate all service options or just each individual bidder?

A30:
Applicants are required to evaluate all service options received in bid responses for cost effectiveness unless there is a specific situation that would mitigate the need to evaluate specific service options, such as if a service option falls under a defined disqualification factor or if a service option is determined to be a SPAM/Robotic response. For example, if a vendor provides a bid response which includes Lit and Dark fiber options, both solutions should be evaluated/scored separately and treated equally. If a service option on a bid is disqualified or not evaluated, the applicant should memorialize this in their evaluation process.

Source: https://www.usac.org/e-rate/learn/faqs/eligible-fiber-services/#Requesting-Bids-for-Fiber-Services---FCC-Form-470-&-Requests-for-Proposal-(RFPs) · section 2 of 7 (Q14–Q30) · all answers shown expanded · captured Nov 1, 2026

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Selecting the Most Cost-Effective Service Offering

Q31: How do I determine the elements for a cost comparison between leased dark fiber vs. leased lit fiber; leased dark fiber vs. self-provisioned networks; and self-provisioned networks vs. services provided over third party networks?

A31:

When comparing the cost effectiveness of the three fiber service offerings – leased lit fiber, leased dark fiber, and self-provisioned networks – the expected useful life of the asset is a key consideration when comparing the combined upfront and recurring costs. To do this, applicants should determine a defensible period of time for the comparison, based on their anticipated use of the assets. Depending on a variety of factors, an applicant may expect to recover their costs for a self-provisioned network or leasing and lighting dark fiber in five, seven, ten, or, in some circumstances, 20 years.

Applicants should then identify a specific and comprehensive total cost for each of the responsive proposals received:

- **Self-Provisioned Networks:** Consider all costs of owning, operating, and maintaining a network (e.g., recurring fees for maintenance and operations, Network Equipment).
- **Leased Dark Fiber:** Consider all of the costs of leasing, lighting, maintaining, and/or operating the dark fiber.
- **Leased Lit Fiber:** Comparison should project demand for bandwidth over the comparison period and how costs of bandwidth will vary over time.

Once that is done, applicants should divide the total cost for each option by the number of years in their comparison period to determine annual cost. Compare that annual cost against the annual cost of other responsive proposals received over the duration of the defensible time period. From this comparison, applicants should provide documentation of their findings to their reviewer via EPC with a narrative that summarizes the logic of the comparison. Presenting comprehensive comparison data is an important piece of the cost-

effectiveness review process. By providing detailed information it helps the reviewers assess the validity of the cost-effectiveness of a solution more efficiently.

Applicants should be prepared to explain any assumptions made, such as how they set their comparison period, and cost for Network Equipment for leased dark fiber or self-provisioned fiber and any equipment refresh needs.

Source: https://www.usac.org/e-rate/learn/faqs/eligible-fiber-services/#Selecting-the-Most-Cost-Effective-Service-Offering · section 3 of 7 (Q31) · all answers shown expanded · captured Nov 1, 2026

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Preparing a Fiber Funding Request (FCC Form 471)

Q32: What are the different types of funding requests that I may need to include in my FCC Form 471 if I request E-Rate support for leased dark fiber or a self-provisioned network?

A32:

The funding request options available to applicants seeking support for leased dark fiber and self-provisioned networks when filing FCC Form 471 are listed below. An applicant does not have to file each type of funding request when seeking support for leased dark fiber or a self-provisioned network (e.g., an applicant that already owns Network Equipment and is not seeking support for the purchase of Network Equipment would not file a Network Equipment funding request). Applicants should be prepared to explain why they have not filed certain funding requests during review of the fiber application (e.g., when seeking funding for special construction applicants should be prepare to explain why they are not requesting Network Equipment necessary to light fiber).

Self-Provisioning FRN Types

- Maintenance and Operations (M&O) (use when M&O is contracted for separately from Network Equipment)
- Network Equipment (use when Network Equipment is contracted for separately from M&O)
- Network Equipment/M&O (use when a single contract is signed for Network Equipment & M&O services)
- Special Construction

Leased Dark Fiber FRN Types

- Data Transmission and/or Internet Access (use for recurring dark fiber lease/IRU payments)
- Maintenance and Operations (use when M&O contracted for separately from Network Equipment)
- Network Equipment (use when Network Equipment is contracted for separately from M&O)

- Network Equipment/M&O (use when a single contract for Network Equipment & M&O services)
- Special Construction

Please see the FCC Form 471 user guide for information on how to complete and submit these funding requests in EPC.

Q33: What types of funding requests might an applicant file when seeking support for leased lit fiber?

A33:
An applicant would use the leased lit fiber FRN type to seek E-Rate support for leased lit fiber. If the applicant is seeking support for special construction associated with leased lit fiber, they should use a dedicated special construction FRN. If the applicant is seeking support for network equipment associated with leased lit fiber, they should use a dedicated Network Equipment FRN.

Q34: Do I have to include all funding requests related to the same requested service in one FCC Form 471?

A34:
Funding requests seeking support for Network Equipment and Maintenance & Operations (M&O) charges associated with lighting leased dark fiber must be included in the same FCC Form 471 as the funding request seeking support for the dark fiber lease or IRU. Given that the review of all of the costs associated with a fiber application will occur during the PIA process, it is recommended that applicants include all related funding requests in the same FCC Form 471. For instance, if an applicant is seeking E-Rate support for a self-provisioned network, USAC recommends that the applicant include any funding requests for Network Equipment and Maintenance & Operations (M&O) in the same FCC Form 471 as the special construction funding request.

Q35: What helpful information should I put in the narrative of a special construction funding request?

A35:
It is recommended that applicants use the narrative field in the FCC Form 471 to:

- Describe the fiber solution selected (e.g., “This funding request is for special construction charges necessary to connect X Elementary School, Y Middle School, and Z Middle School to our existing leased dark fiber WAN”).
- Identify any related FRNs (e.g., “Support for the recurring payments required by our existing dark fiber lease is requested in FRN 12345678. We are also requesting support for recurring Maintenance & Operations charges in FRN 910111213. We seek support for the Internet access provided over the leased dark fiber in FRN 87654321”).

- Briefly explain why the requested service was deemed to be the most cost-effective option of all the bids received.
- If applicants are changing the manner in which their schools and libraries receive service (e.g., they previously used a leased lit fiber service, but are switching to a leased dark fiber solution), applicants should describe their existing service and its capacity.
- Explain the plan for transitioning services if an applicant plans to light new fiber after the start of the funding year.

Describe any variables that may help a reviewer understand an application, such as why the applicant is not requesting Network Equipment to light newly constructed fiber.

Q36: Am I still required to amortize large non-recurring capital costs over a period of three years for charges of $500,000 or greater?

A36:

No, the amortization requirement was permanently eliminated in January 2020.

Q37: Can you explain the requirements regarding installment payments for the non-discount share of special construction charges?

A37:

E-Rate program rules require applicants to pay the non-discount share of E-Rate supported services within 90 days of receipt of service. Applicants may, however, request that service providers allow them to pay their non-discount share of costs for eligible special construction services in installments over up to four years from the first day of the relevant funding year. To take advantage of this option, applicants must have indicated an interest in an installment payment arrangement in their FCC Form 470.

Service providers are not obligated to offer an installment payment option to applicants if one is requested. However, if a service provider chooses to offer an installment payment plan, they must disclose the material terms, including the interest rate and the term of the payment plan, in their bid submission.

Applicants that enter an installment payment arrangement for the non-discount share of eligible special construction charges must also be prepared to provide details about the payment plan in their special construction funding requests, including: (a) the total amount financed; (b) the term of the agreement; and (c) the annual interest rate.

Q38: Can I obtain additional E-Rate support to match funding that I receive from my state, Tribal government, or other federal agency for special construction charges?

A38:
If a state provides eligible schools and libraries with funding for special construction charges for high-speed broadband that meets the FCC's bandwidth targets, the E-Rate program will provide a one-to-one dollar match up to an additional ten percent discount in Category One support. For Tribal schools and libraries, the E-Rate program will also match special construction funding provided by states, Tribal governments, or other federal agencies for special construction on a one-to-one basis, up to an additional ten percent discount in Category One support. However, total support for a special construction project through the E-Rate program including matching funds from states, Tribal governments, or other federal agencies, may not exceed 100 percent.

Q39: What will USAC evaluate to determine if I may receive additional E-Rate discounts to match state, Tribal, or federal funding for my special construction funding request?

A39:
An applicant seeking additional E-Rate discounts to match state funding for special construction must submit information with its FCC Form 471 that USAC will use to determine: (a) whether the state funding is from an eligible source; (b) that any terms and conditions associated with the state funding are not in conflict with E-Rate rules; (c) the appropriate calculation of the additional E-Rate discount, if any; and (d) whether the project meets the Commission's connectivity targets.

For instance, an applicant should be prepared to submit documentation to USAC about the specific state legislation that appropriated the state funds at issue, or the state, Tribal government, or federal agency legislation for a Tribal school or library that has committed the funds for the applicant's special construction project. The applicant should also be prepared to submit documentation verifying that the state funding has, in fact, been committed for the applicant's special construction project, and specifying the amount of the commitment and any terms and conditions associated with the commitment. These requirements also apply to Tribal schools and libraries that are seeking matching funds based on funding from a state, Tribal government, or other federal agency.

Q40: Does USAC have a list of state, federal, or Tribal sources of funding that have been deemed eligible for the purposes of obtaining additional E-Rate discounts for special construction charges?

A40:

Yes. The list of programs that have been approved as eligible sources of funding for the E-Rate matching funds for special construction is available on the Additional Discount to Match State/Tribal Funding for Special Construction page. This list is not exhaustive. Moreover, the evaluation of these programs is based on general information available at the time of review, and final approval for all E-Rate matching funds is based on compliance with E-Rate program rules and a detailed review of the special construction funding requests.

Applicants, states, Tribal governments, and other federal agencies interested in having their programs reviewed and added to USAC's State Match webpage should send detailed information about the programs to the USAC Customer Service Center by calling (888) 203-8100.

Source: https://www.usac.org/e-rate/learn/faqs/eligible-fiber-services/#Preparing-a-Fiber-Funding-Request-(FCC-Form-471) · section 4 of 7 (Q32–Q40) · all answers shown expanded · captured Nov 1, 2026

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Program Integrity Assurance (PIA) Review

Q41: What kind of information should I be prepared to provide to USAC to demonstrate that I have selected the most cost-effective solution for my connectivity needs?

A41:

When applicants are preparing their response to demonstrate the cost-effectiveness of their service selection, they should work with their service provider to provide a comprehensive explanation that details the cost breakdown of their selection versus the other service options. All associated costs that are related with the services that are being compared must be included in the cost comparison. For example, if considering a leased dark fiber solution, the charges associated with leasing the fiber, along with any modulating equipment that is needed to light the fiber, and any maintenance and operations cost, should be included in the cost comparison. Applicants should also account for any equipment refreshes that would be needed for the time span that is being evaluated. Applicants should also present detailed documentation along with the cost-effectiveness evaluation instead of summary data. If applicants have questions regarding determining the cost-effectiveness of their service selection, they should enter a customer service case in EPC or contact the USAC Customer Service Center at (888) 203-8100.

Q42: I understand that USAC might ask very technical and detailed questions about my fiber build. I'm not an engineer or techie. Is there someone who can help me understand the information that the questions are asking for and whether I'm providing USAC with the correct information?

A42:

Yes. If applicants have inquiries regarding the questions they may receive from USAC during review of an application, they can open a customer service case in EPC that will be routed to USAC's Fiber Team to provide guidance. The team is available to help applicants understand the information that is being requested about their fiber build project.

Q43: I understand the questions, but I do not have all of the information that PIA reviewer has requested. Do I still have to respond to the questions? If so, what do I do?

A43:

Applicants are required to respond to all PIA review questions, even if they are requesting information that is not currently in the applicant's possession. The failure to respond to the PIA review questions may result in the denial of an applicant's funding request.

If a question asks for information or documentation about a fiber service or project that is not currently in an applicant's possession, they should request the information or documentation from their service provider. If the service provider does not understand the information request, applicants should ask their service provider to call the PIA reviewer to discuss the questions directly. Applicants do not have to be on the line when this call occurs, but participating in the call may help them better understand why the information is being requested, and prepare applicants for future PIA reviews.

If the service provider does not provide the required information in response to an applicant's request, applicants should let their PIA reviewer know right away that they have requested the information and are having difficulty obtaining it. The PIA reviewer may reach out to the service provider directly to seek the requested information.

Source: https://www.usac.org/e-rate/learn/faqs/eligible-fiber-services/#Program-Integrity-Assurance-(PIA)-Review · section 5 of 7 (Q41–Q43) · all answers shown expanded · captured Nov 1, 2026

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Invoicing

Q44: May I submit "milestone" invoices in connection with my special construction project, or do I need to wait until the project is complete and the new fiber is lit to submit an invoice to USAC?

A44:

Yes, as is the case with all E-Rate eligible costs, applicants that have received a funding commitment may submit invoices for eligible special construction expenses at any point during the funding year. If, however, the fiber is not lit in that year, the applicant may need to reimburse the fund for the special construction charges.

Source: https://www.usac.org/e-rate/learn/faqs/eligible-fiber-services/#Invoicing · section 6 of 7 (Q44) · all answers shown expanded · captured Nov 1, 2026

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General Tips

Q45: Does USAC have representatives who can explain the rules and help provide basic guidance as we consider the self-construction option?

A45:

Yes. E-Rate participants that need additional information or guidance can call the USAC Customer Service Center at (888) 203-8100 to ask questions or receive other assistance.

Q46: Are applicants required to exclusively own and use the entire self-provisioned network?

A46:

No. The FCC has clarified that E-Rate program rules do not require applicants to exclusively own and use the entire self-provisioned network. E-Rate applicants can share self-provisioned networks with ineligible entities so long as the ineligible entities pay their fair share (i.e., their pro-rata portion) of the undiscounted costs associated with constructing and/or operating the network. In general, "fair share" is the ineligible entity's pro-rata portion of the undiscounted cost of the shared services and equipment.

To determine the ineligible entity's fair share, applicants must prorate the undiscounted price for the shared facility (including any supported maintenance and operating costs) between eligible and ineligible entities on a proportional fully distributed basis, using a cost allocation method based on objective criteria that reasonably reflects the eligible use of the share facilities and/or services. Moreover, an applicant that seeks to share a self-provisioned network with an ineligible entity must submit documentation demonstrating the reasonableness of the methodology used to determine the ineligible entity's fair share. This documentation should be submitted with the FCC Form 471, and must contain a clear explanation of how the ineligible entity's pro-rata share was calculated and demonstrate the reasonableness of the cost allocation methodology used to ensure that they are not using E-Rate funding to provide services to ineligible entities.

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Before You're Done

‹ Before You Begin Step 2 ›

Requirements for Leased Dark Fiber & Self-Provisioned Networks

Requirements for Leased Dark Fiber

If a school or library is soliciting bids for leased dark fiber, the school or library must also solicit proposals to provide the needed services over leased lit fiber over a time period comparable to the duration of any dark fiber lease or indefeasible right of use (IRU), and must select the most cost-effective option.

The requirement to seek competitive leased lit fiber bids applies whether or not the leased dark fiber solution requested involves special construction.

If an applicant is also considering the option of requesting support for Network Equipment (e.g., modulating electronics and other equipment necessary to make a Category One service functional) and/or Maintenance and Operations costs associated with lighting leased dark fiber, it must request bids for those services in the same FCC Form 470 as the bid request for leased dark fiber.

Applicants are required to consider all responsive proposals received and select the most cost-effective option.

In considering whether leased dark fiber or leased lit fiber is the more cost-effective option, applicants will need to identify a specific and comprehensive total cost for each of the responsive proposals received, and compare those costs over a defensible time period.

Accordingly, when requesting bids for and related to leased dark fiber, you should be sure to ask service providers to supply all of the information necessary for you to identify the total cost of the service (e.g., all of the costs associated with deploying any new fiber to connect entities, purchasing Network Equipment, maintenance and operations, etc.).

We recommend that applicants considering seeking support for leased dark fiber start planning for their competitive bidding process early, and reserve sufficient time to draft a request for proposal (RFP) that addresses all of the points a service provider's proposal should cover for the requested leased dark fiber and leased lit fiber solutions, as well as any other connectivity solution for which bids are sought.

Requirements for Self-Provisioned Networks

Applicants considering self-provisioning must solicit bids for both a self-provisioned network and services provided over third-party networks. As with leased dark fiber, applicants considering seeking support for a self-provisioned network should start planning for their competitive bidding process early, and consider all of the information that they must collect from service providers in order to consider all of the responsive proposals received, and select the most cost-effective service offering.

Applicants will need to know the total cost of each proposed service offering to do this. For a proposed self-provisioned network, that means the applicant will need to be able to evaluate the total cost of constructing, owning, operating, and maintaining the network (e.g., recurring fees for maintenance and operations, Network Equipment) over its useful life.

Installment Payments

Applicants are usually required to pay the non-discount share of E-Rate supported services within 90 days of receipt of service. However, if an applicant is considering seeking support for special construction charges, it may specify on its FCC Form 470 that bidders allow the applicant to pay the non-discount share of special construction charges in installments over up to four years.

Bidders are not required to offer installment payments upon request. If an applicant does not request installment payments in its FCC Form 470, or did request it but the vendor declined to offer the option, the applicant must pay its non-discount share of special construction charges within 90 days of receipt of service.

For more information regarding filing requirements for E-Rate program supported fiber purchases and special construction, see the FCC Form 470 Category One Services Drop-Down Menu Reference Table and the FCC Form 470 Filing Guide.

Source: https://www.usac.org/e-rate/applicant-process/competitive-bidding/requirements-for-leased-dark-fiber-self-provisioned-networks/ · page last modified Apr 9, 2025 · captured Nov 1, 2026